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NEWS SUMMARY

GENERAL

Premier's offer to resign rejected

King Baudouin of Belgium yesterday rejected Premier Wilfried Martens' offer to resign and called for crisis talks with political, industrial and trade union leaders on averting a devaluation of the franc.

The National Bank raised its discount rate by three points to 16 per cent to discourage speculative selling of the franc.

Leaders of all political parties are to meet the King this morning to discuss the formation of a new government. Back Page; Crisis complicates battle for franc, Page 2

NATO assured

The Reagan Administration confirmed to its NATO allies that it is committed to resuming arms control talks with the Soviet Unions. Page 2

Arms for Iraq

Egypt is supplying Iraq with arms to replace those lost in the war with Iran, President Sadat said. Page 3

Regan visit

U.S. Treasury Secretary Donald Regan will visit London on April 10 for three days of talks with European and Japanese Finance Ministers.

Port strike

Felixstowe port was again at a standstill because of a strike by dockers over new working practices.

Air fare plan

British Airways plans a Queue jumper standby fare from April 14. It will guarantee a seat the day after the ticket is bought and cost £10 more than a standby ticket.

Moonies lose

Moonies UK leader Dennis Orme lost his six-month High Court libel action against Daily Mail publishers Associated Newspapers.

Pay ruling

Different pay rates for full and part-time workers are illegal only where they are an indirect means of reducing women part-timers' pay, the European Court of Justice ruled.

Papal invitation

The Pope invited the world's Catholic bishops to Rome in June as part of what seemed a major initiative for church unity.

21st victim

The body of the 21st black child to die mysteriously in Atlanta was found in a river.

Chinese flee

Hundreds of Chinese arrived by boat off Hong Kong after rumours of an impending earthquake in Guangdong province.

Best men

Prince Charles will have two "supporters"—Prince Andrew and Prince Edward—instead of a best man at his wedding, Buckingham Palace said.

Taxman jailed

Assistant tax collector Reginald Vincent was jailed in London for 27 months for fiddling his expenses.

Briefly . . .

Sharjah, UAE, withdrew traffic rights awarded to Laker Airways. Page 6

Britain will provide Zambia with 7,000 tonnes of Zimbabwean maize. Zambia's heavy price, Page 3

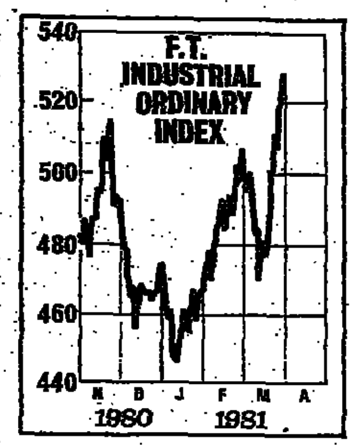
Readers Digest founder Dewitt Wallace died in the U.S. aged 91.

Libya resumed oil shipments to Greece.

BUSINESS

Equities up 9.3; $15 fall for gold

● EQUITIES resumed their recent advance despite early apprehension over the attempted assassination of President Reagan. The FT 30-share index rose 9.3 to 528.1. Page 26



● GILTS rallied after Monday's decline, with the Government Securities Index up 0.22 at 69.84. Page 26

● STERLING improved in late trading, rising 1.10 cents to $2.2445, to DM 4.725 from DM 4.7025 and SwFr 4.315 (SwFr 4.29). Its trade-weighted index was 100.1 (100.6). Page 23

● DOLLAR closed unchanged against the D-mark and Yen at DM 2.105 and Y211.25 respectively, but rose to SwFr 1.9225 (SwFr 1.919). Its trade-weighted index fell to 99.8 (100.5). Page 23

● GOLD fell $15 in London to $507.5. Page 23

● WALL STREET was up 13.24 at 1,003.40 before the close. Page 24

● BRITISH National Oil Corporation plans to explore for oil in the U.S. as part of a move to raise overseas reserves. Back Page

● INDUSTRY DEPARTMENT, banks and insurance companies launched joint scheme to raise the number of investments by financial institutions in high technology projects. Page 7

● POSTAL WORKERS' union leaders rejected a 6 per cent Post Office pay offer. Page 8

● BARCLAYS BANK plans to raise $125m (£51m) through its first U.S. public debt issue. Page 16; Lex, Back Page

● DEUTSCHE BANK, West Germany's biggest bank, announced a DM472m (£100m) rights issue and raised its 1980 dividend to DM10 per share (DM9). Page 21

● NISSHO IWAI Corporation, the Japanese general trading company, will close its Hong Kong subsidiary, which has lost about Y16bn (£34m) in foreign exchange speculation. Page 22

Duport in write-off against steel assets

● DUPORT group has made a £36.1m write-off against steel assets and a further £10.3m against closure and rationalisation costs. Total shareholders' funds are reduced from £51.8m to £15.2m. Page 16; Lex, Back Page

● GENERAL MOTORS expects to raise its annual share of UK new car sales to 10½ per cent by combining the Opel and Vauxhall dealer organisations. Page 7; Opel losses, Page 21

● PLESSEY Communications and Data Systems, part of the Plessey group, plans to shed 425 jobs at its Beeston, Notts, plant.

● BOOKER McCONNELL, the international food and engineering group, reported pre-tax profits down from £21.79m to £12.76m for 1980. Page 16; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Northern Foods ...	181	+ 7
Exchq. 13¼pc 1994	£97[illegible]	+ [illegible]	Ofrex Group	78	+ 6
APV	248	+ 8	Plessey	329	+ 13
Baker Perkins ...	86	+ 6	Polly Peck	218	+ 23
Blue Circle	420	+ 6	Rexmore	24	+ 5
Breedon Cloud Lm.	106	+ 6	Stand. Telephones	510	+ 20
Bruntons (M'burgh)	90	+ 10	Taylor Woodrow ...	570	+ 12
Commercial Union	167	+ 6	Thorn EMI	332	+ 6
[illegible]rnell Dresses ...	100	+ 18	Woodhead (J.) ...	43	+ 9
General Accident ..	342	+ 10	Charterhall	77	+ 7
GEC	677	+ 14	Bertam Cons.	103	+ 10
Glaxo	306	+ 6	Padang Senang ...	78	+ 6
Grindlays Bank ...	190	+ 6	FALLS		
Hawker Siddeley ...	312	+ 10	Blue Bird Cnfcnry.	54	− 6
Hepworth (J.) ...	122	+ 6	Cape Inds.	205	− 9
ICL	48	+ 3	Elandsrand	290	− 17
ICI	244	+ 6	Gld. Mn. Kalgoorlie	400	− 20
Invergordon Distls.	198	+ 12	Hartebeest	£27¾	− 1¼
Lloyds Bank	330	+ 8	South African Land	286	− 16
Lucas Inds.	191	+ 8	Unisel	323	− 33
Marchwiel	116	+ 9	Western Deep	£21½	− 1¼

Reagan signs Bill as he recovers

BY JUREK MARTIN, DAVID BUCHAN AND PAUL BETTS IN WASHINGTON

PRESIDENT Ronald Reagan continued yesterday to make what his doctors described as an excellent recovery from the attempt to assassinate him that came so close to success on Monday afternoon.

The President was reported well enough yesterday even to sign a minor Bill from his hospital bed. He is expected to remain in hospital for a while, and may not be able to resume full Presidential duties for a couple of months.

Meanwhile Vice-President Bush assumed temporary control of day-to-day government, briefing members of Congress and meeting the Dutch Prime Minister.

But the White House insisted that, because the prognosis for Mr. Reagan's health was so good, no consideration was being given to activating constitutional provisions that allow him to step down for a period.

One explanation for the President's high spirits was that he was still unaware of the injuries suffered by Mr. James Brady, his Press Secretary, and by a policeman and a secret service man.

Mr. Brady, who had a bullet in the brain, was said to have made extraordinary progress, but was still on the critical list, while the other two were much improved.

Authorities yesterday were submitting the alleged assailant, John Hinckley Jr., to extensive psychiatric tests to determine whether he was fit to stand trial on the twin Federal charges of attempting to assassinate the President and assaulting a secret service agent. If he is found fit, other charges may be added.

Senator Paul Laxalt from Nevada, a close friend of the President, said that the authorities had found a "motive" for the assassination attempt, but refused to say more.

Senator Howard Baker, Republican majority leader, added that no evidence of a conspiracy had been unearthed.

An official of the American National Socialist Party in Chicago yesterday volunteered the information that Hinckley, a college drop-out and son of an affluent oil company executive in Denver, Colorado, had been a member of the neo-Nazi group until 1979, but was expelled "because he wanted to shoot people and blow things up."

Mr. Donald Regan, who as Treasury Secretary has jurisdiction over the Secret Service, said an internal investigation was being launched to ascertain how it was that Hinckley was able to penetrate the presumed "secure" area reserved for the Press, from which the shots were fired at the President at close range.

Given the emerging details of Hinckley's past political affiliations, a history of mental instability confirmed by his distraught parents, and the fact that he was briefly apprehended last year in Nashville, Tennessee, in possession of three pistols while President Carter was in the city, many questions are being asked about the protection afforded U.S. political leaders.

But the Treasury Secretary also went out of his way to praise the Secret Service for its efficiency and courage and doubted that it would ever be possible to provide foolproof protection.

Predictably, the political reaction was much marked by renewed calls for controls on the sale of handguns in the U.S.

The national consciousness is deeply shocked that this is the ninth President in 116 years to be shot at, four having died.

But Mr. Reagan himself is a staunch opponent of tighter handgun control and the head of one major gun lobby felt emboldened to predict within hours of the attempt on the President's life that the political excitement would soon blow over and that Congress would end up endorsing a Bill sponsored by the National Rifle Association that would effectively weaken such minimal enforcement powers as already exist.

The 22-calbire pistol used in the attempt was assembled, but not manufactured, in the U.S., from German parts, a common way of circumventin gthe 1968 law which prohibits import of small handguns.

Politicians generally were less willing to predict the practical political consequences of the attempted assassination, though there was unanimit yof view that Mr. Reagan's evident courage would enhance his personal popularity.

Senator Baker said that he doubted whether many votes would be changed over the President's Budget-cutting proposals, now before Congress, but some Democrats privately feared that th eeconomic package, parts of which they strenuously oppose, would encounter less resistance.

A simmering controversy also existed over the role played by Mr. Alexander Haig, the Secretary of State, in the crucial hours after Mr. Reagan was shot and before Mr. Bush arrived back in Washington.

The U.S. after the shooting

Page 4

Editorial comment. Political implications.

STOCK MARKETS REVIVE: CURRENCY TRADING CALM

STOCK MARKETS in the U.S. and Japan bounced back yesterday on the news of President Reagan's excellent recovery chances, David Lascelles and John Makinson write.

On European stock markets there was little lasting reaction to Monday's events in Washington and currency trading was generally calm yesterday.

In New York trading was strong in what dealers described as a mood of euphoria and relief.

Shares in New York quickly recovered Monday's losses. By early afternoon the Dow Jones Industrial average had again broken the 1,000 mark with a gain of more than 12 points. Bond prices also strengthened as interest rates declined.

There was initial doubt as to whether the U.S. stock exchanges would open on time after the premature halt to trading on Monday called to prevent a panic sell-off.

But the New York exchange's committee met before the markets were due to open yesterday morning and, encouraged by the good overnight news, gave the go-ahead. Other exchanges followed suit.

News of the assassination attempt reached Tokyo shortly before the market's opening yesterday and the Nikkei Dow index started 50 points down at around 7,255.

Little trading was recorded at this level, however, and prices soon recovered with the index closing at a record 7,334.31. Trading was reported to be generally calm.

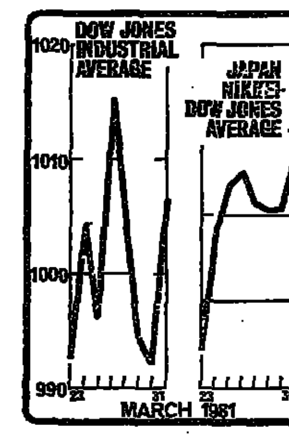
Gold, the traditional barometer of international tension, closed in London down $15 from Monday at $507.5 per ounce.

The dollar was quiet, with a fall in Eurodollar interest rates and the easing of the Polish crisis contributing to an overall weaker trend, though it started to advance in early New York trading.

Sterling made late gains in London trading yesterday to close at $2.2445, up 1.1 cents from Monday's finish. It also rose against leading European currencies.

The dollar closed in London unchanged from Monday at DM 2,1050, but its trade-weighted index dropped to 99.8 from 100.5.

The Bank of England's trade-weighted index for sterling also declined, to 100.1 from 100.6. The index is calculated before the London close, so it did not reflect the pound's late afternoon gains yesterday.



Weir to reveal financial reconstruction plan today

BY RICHARD LAMBERT

A MAJOR financial reconstruction of the Weir Group, Scotland's largest engineering concern, is to be announced today.

Lord Weir, 47, the present chairman will step down. His successor will be Sir Francis Tombs, former chairman of the Electricity Council.

The reconstruction will take the form of an equity issue to raise about £6m, which will be underwritten by three specialist financial institutions—Finance Corporation for Industry, Equity Capital for Industry and the Scottish Development Agency. In addition, some £10m of the group's bank borrowings will be converted into redeemable preference shares.

As part of the package, the group will complete new arrangements with its bankers, under the leadership of the Royal Bank of Scotland. There will also be a modest rescheduling of the group's term loan from the Finance Corporation for Industry.

Bankers involved in the reconstruction stressed that it was not to be regarded as a short-term rescue operation. The objective was to underwrite the long-term health of the business, and both the banks and the Scottish Development Agency were involved on a commercial basis.

The Scottish Development Agency and Finance Corporation for Industry are each underwriting £2.5m of the rights issue. Equity Capital for Industry is underwriting £1.2m.

At last night's closing price of 25½p, Weir is valued on the stock market at £6m. Two years ago, its valuation exceeded £30m.

Weir's interests include a major pumps business, steel foundries, engineering supplies and a desalination and heat exchange division. Its sales in 1979 amounted to £160m, of which half were exported either directly or indirectly.

Financial pressures on the group began to build up during 1979 when it was hit by strikes, the high value of sterling, and the developing UK recession.

Its profits for the year fell from £7.6m to £2.1m before tax, and substantial closure costs contributed to a reduction of £8.4m in group reserves over the year. Net liquid funds were reduced by £24.6m, and there was no final dividend.

In the first half of 1980, Weir lost £2.4m before tax. Its interim statement in September disclosed that a full review of the group's operations and capital requirements was being undertaken in consultations with its bankers and Finance Corporation for Industry.

Pending completion of that report, the banks and Finance Corporation for Industry had agreed to support the group's operations in return for certain charges over some of its UK assets.

The profits shortfall was mainly the result of serious problems at Weir Pumps, where there had been substantial cost over-runs on major contracts. Some 900 people were made redundant in that division, and senior management was changed.

Weir has also cut heavily its steel foundry capacity, and the workforce has been reduced in its desalination business.

The preliminary figures for 1980 are due to be announced today.

Union leaders seek to hit flights

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE union leaders are seeking support for industrial action which would disrupt air traffic, probably immediately after Easter.

The unions are consulting their air traffic control and other members in the Civil Aviation Authority on their readiness to take part in the action, which could be the most seriously disruptive in the present campaign of Civil Service strikes over pay. Early results of meetings indicate overwhelming majorities in favour.

There is also the possibility of action at airports over Easter by immigration staff, though some union leaders are saying there should be a respite then.

Air traffic control staff — controllers, represented by the Institution of Professional Civil Servants, and their assistants, represented by the Civil and Public Services Association — have not been involved in the action beyond the national one-day strike on March 9. Then, no services flew in or out of the 20 CAA airports and UK air traffic was virtually halted.

However, projected action, which would probably take place in the week immediately following the Easter weekend, would involve short, selective action at a variety of the airports involved. These include Heathrow, Gatwick, Stanstead, Cardiff, Liverpool, Manchester and the four main Scottish airports.

About 140 staff at the Scottish air traffic control centre at Prestwick met on Monday, and voted—with only three against—to join the action. There were no votes against at a similar meeting at Glasgow.

Gatwick will vote today, followed by the London air traffic control centre at Heathrow. Cardiff will vote tomorrow and Manchester and Liverpool on Friday.

Representatives of the unions' CAA membership will meet union officials on April 15 to consider the voting results. Air traffic control staff, whose pay is directly linked to general civil service increases, have traditionally been reluctant to take industrial action because of the level of disruption involved.

However, if the response to the strike call on March 9 and the two early results are indications of feeling, there is a real prospect of the control staff joining, and intensifying, the campaign against the Government's 7 per cent pay offer.

Other Labour News, Page 8

£ in New York

—	Mar. 30	Previous
Spot	$2.2600-2650	$2.2250-2280
1 month	0.55-0.62 pm.	0.38-0.45 pm.
3 months	1.30-1.40 pm.	1.40-1.50 pm.
12 months	4.90-5.10 pm.	5.30-5.50 pm.

Grade sells Ansafone for £13.5m

By Guy de Jonquieres

LORD GRADE'S troubled Associated Communications group has sold its Ansafone subsidiary for £13.5m cash to nine senior Ansafone executives and a group of institutional investors.

The sale is believed to be the biggest in a series of deals in which executives have acquired a stake in the businesses which they manage from their former parent companies.

Ansafone is the leading supplier of telephone answering equipment in Britain and claims about half the total market. During the financial year ended March 31, 1980, it earned pre-tax profits of £1.45m on a turnover of £11.5m.

ACC acquired control of Ansafone in 1963. Lord Grade said yesterday it had been clear for some time that Ansafone did not fit ACC's future corporate structure.

Continued on Back Page
Nothing terminal about Ansaphone, Page 6

Solidarity likely t back peace deal

BY OUR FOREIGN STAFF

LEADERS of Solidarity, Poland's independent trade union movement, meeting in the Lenin shipyards, Gdansk, seemed likely last night to ratify Monday's compromise agreement with the Government.

The agreement led to the suspension of an indefinite general strike scheduled to start yesterday.

Cable and telex messages from local branches throughout the country indicated that 80 per cent of the membership supported the agreement.

But a Solidarity official in Warsaw said the proceedings of the 55-man National Co-ordinating Commission would be stormy because of opposition to the deal from some of Solidarity's more radical members.

The Communist Party newspaper Trybuna Ludu yesterday quoted Mr. Lech Walesa, the Solidarity leader, as saying some sections of the union might not think that the agreement went far enough to meet their demands.

Yesterday's Gdansk meeting was chaired by Mr. Walesa. He also headed the Solidarity delegation which negotiated Monday's agreement with a Government team led by Mr. Mieczyslaw Rakowski, the Deputy Premier.

According to Mr. Walesa the pact satisfied about 70 per cent of Solidarity's demands but did not satisfy some hardliners who complained that parts of the agreement were too vague.

In spite of disagreements within Solidarity's ranks, however, the movement's Warsaw spokesman, Mr. Janusz Onyszkiewicz, said the meeting would probably end in approval for the agreement.

A key part of Monday's deal was the commitment by the authorities to dismiss local

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Schmidt warns on help for Poland, Page 2
Poland: the most important hurdle, Page 15

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Belgian political crisis complicates battle for the franc

BY LARRY KLINGER IN BRUSSELS

"WE HAVE always defeated the speculators," Mr. Mark Eyskens, the Belgian Finance Minister, said yesterday. "And I expect them to lose again."

As the battle continued in Brussels to defend the Belgian franc against international speculation, Mr. Eyskens could certainly claim history was on his side. The franc has been devalued only twice, shortly after the war, since the tumultuous 1930s, and survived major attacks similar to today's in 1973, 1976 and 1978.

The defence is becoming increasingly expensive and of the BFr 90bn (£1.1bn) needed to support the franc since the beginning of this year, about a third was spent during the past week alone. A strong body of commercial opinion believes devaluation would be beneficial—but only if the conditions were right.

One leading banker summed up the quandary yesterday: "We bankers consider that a devaluation would provide some welcome breathing space for industry, but there would have to be certain measures to protect the country against the inflationary effects that devaluation would entail."

"Unfortunately, because of the Government crisis, these measures are unlikely to be approved and, unless they are, the National Bank has no choice but to support the franc with all the means available."

Government officials admit the austerity measures proposed to back the franc are also those which would be needed if the franc were devalued. However, they are the same measures which forced the Government to offer its resignation yesterday.

Mr. Wilfried Martens, the Prime Minister, followed his economic recovery plan, including anti-inflation and austerity measures agreed earlier this year, with proposals at the weekend to suspend until the end of the year Belgium's system of inflation-indexed wage rises.

This proved the last straw for the Socialist Party, the junior partner in the two-party coalition led by Mr. Martens' Christian Democrats. The Socialists have remained in government in the hope that their influence could ameliorate austerity's worst effects on their main constituents: the Socialist unions.

> "Bankers consider a devaluation would provide welcome breathing space for industry, but measures would be needed to protect against the inflationary effects"

The party, realising that the most likely outcome of a government collapse would be a new coalition, either in fact or tacitly, between the Christian Democrats and the right-wing Liberals, had held on until it became obvious that the Government might have to reverse its commitment to keep indexing wages.

Mr. Martens, on King Baudouin's instructions, will stay on as a caretaker while trying, first, to bring the Socialists round, before embarking on the long traditional round of talks with Belgium's myriad political parties.

Mr. Martens' problem is time. Not only do Belgian politics move notoriously slowly, because of their complexity, but the economy has undoubtedly been stumbling from bad to worse.

Industry is very hard-pressed, with closures and threats of closures rampant, especially in the steel, car and textile sectors.

The reason for the franc's decline follows from two other depressing facts: a current account deficit of more than BFr 170bn last year and a public-sector shortfall currently running at about BFr 320bn.

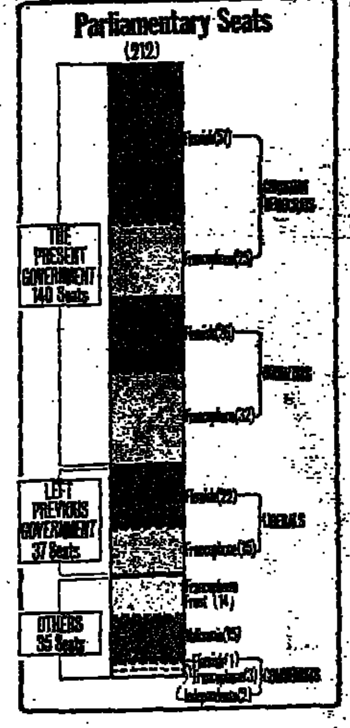
"There is no doubt that we can stabilise the franc on a technical level," said the Finance Minister. But some national monetary officials admit purely technical manoeuvring has been made much more difficult by the political crisis. They are hoping Mr. Martens can find a formula to take quick political decisions.

In February, the National Bank (the Central Bank) made clear it thought the Government must adopt tough policies to curb public spending.

Since then, Mr. Martens has pushed through savings measures aimed at reducing the projected national budget deficit of BFr 187bn to BFr 155bn, with the prospect of lopping off another BFr 8bn if indexed wage rises are suspended.

The Bank also said total public debt was considerably higher than commonly believed. It put the figure at the end of the year at BFr 2,700bn.

"Devaluation," said a National Bank official yesterday, "is unthinkable without other supporting measures. It would only be buying time, with matters eventually becoming worse."



NO MORE CREDITS IF WORKERS SUPPRESSED, SAYS BONN

Schmidt warning on help for Poland

BY ROGER BOYES IN BONN

THERE WILL be no more West German credits to Warsaw if "internal or external" force is used against Polish workers, Chancellor Helmut Schmidt said yesterday in a double warning to the Kremlin and Poland's Government.

Speaking at a joint news conference with Mr. Charles Haughey, the Irish Prime Minister, Herr Schmidt urged that aid be given to ease Poland's immediate difficulties and that credits were essential for longer term recovery. Both he and Mr. Haughey agreed during their talks that Poland should be helped as long as no force is used from outside the country ..."

"... comes to the use of ... then it is not only the ... that would stop flowing ... whole world would ...ge," said Herr Schmidt.

Recent telephone calls with the U.S. and French leaders had reinforced this view.

CRISIS IN POLAND

Bonn's attitude has hardened perceptibly in the past weeks. Originally, it took the line that external interference in Polish affairs could spell the end of detente. Now, concerned at the recent unrest stemming from the threat of a general strike, Bonn evidently wants to make clear that it could not tolerate violent Polish police or military suppression of the workers.

The statement is also significant coming two days before the visit to Moscow of Herr Hans Dietrich Genscher, the Foreign Minister. He will be one of the first senior Western ministers to visit Moscow since the Polish troubles began last August and is expected to urge restraint on Soviet leaders.

West Germany's position has some force if only because it is the most exposed of all Western lenders to Poland, accounting for some 30 per cent of Poland's $23bn debts, according to Bonn's calculations.

Over the past few months, West Germany has given as a bridging measure some DM 220m in untied financial credits, DM 240m of Government-backed credit for semi-finished goods and DM 95m for food aid. Before Herr Genscher's visit to Poland earlier this month, Bonn agreed to extend its current credit guarantee ceiling by DM 150m, partly for food aid, partly for semi-finished goods.

West Germany has been one of the moving forces within the European Community to accelerate food aid to Poland. Mr. Haughey, agreeing yesterday that such aid was vital, said that Ireland would make some 4,000 tonnes of beef available to the Poles.

At a Social Democratic party meeting earlier this week Herr Schmidt said West Germany would continue to be the prime Western lender to Poland since, if the Poles fared badly, it would affect all of Europe. Bonn's position thus was essentially one of European solidarity.

Yesterday's statement does not diverge radically from this line, but it makes clear that West Germany would be very unhappy if violent clashes became the norm and that it has not ruled out the use of its strong lender position to influence events.

£358m aid promised by France

By Terry Dodsworth in Paris

FRANCE'S continuing political and economic support for Poland was emphasised yesterday at the end of a two-day visit to Paris by Mr. Mieczyslaw Jagielski, the Polish Vice Premier, who is due in Washington today.

Mr. Jagielski's visit coincided with the announcement by President Giscard d'Estaing of a further FFr 4bn (£358.7m) worth of credits for Poland — a similar amount to French aid last year.

But President Giscard went out of his way in a television interview to emphasise that France was resolutely behind the Polish Government.

In a further veiled warning against Soviet intervention in the country, he said the country's attitude was to help Poland "reorganise" its economy.

These points were echoed by M. Jean Francois-Poncet, the French Foreign Minister, who said after his meeting with Mr. Jagielski that France would stay behind Poland in its "legitimate" efforts at "renovation."

Poland's debt problems in the West were also discussed by Mr. Jagielski and both M. Rene Monory, the French Economics Minister, and President Giscard yesterday. As the chairman of the informal group of Poland's Western debtors, owed around $25bn, France has had a pivotal position in the discussions on a co-ordinated Western aid programme.

A further meeting of Western creditors is expected to be held in Paris next week, following a tacit agreement earlier this year to go ahead with short-term bilateral refinancing measures.

Peter Montagnon adds: Poland appeared to be making progress toward renegotiating debt falling due to commercial banks this year after talks in London yesterday with about 40 international banks.

The banks have formed a task force of about 20 as a liaison group in the negotiations and will meet this morning to elect a moderator.

A statement after yesterday's meeting said the banks will again meet Polish government officials in London on April 8.

A satisfactory solution to Poland's request to reschedule $3.1bn in debt this year was possible though it would require continuing talks in a calm and restrained atmosphere.

Brussels steps up farm price proposal

BY JOHN WYLES IN BRUSSELS

THE European Commission yesterday capitaulated to superior political forces and presented EEC Agricultural Ministers with a revised farm package boosting proposed price rises from 7.8 per cent to about 9.45 per cent. But the Commission's greater generosity is unlikely to appease the appetite for even bigger price rises being displayed here by the French, Irish and Greek Ministers.

M. Pierre Mehaignerie, the French Farm Minister, for one, was noisily reminded of the passionate demands of his farmers for 15 per cent price rises by a rowdy demonstration outside the Council of Ministers building. Some 3,000 mainly French farmers pelted Belgian riot police with eggs and bottles.

The Commission's main defence of its revised package is that all hopes of achieving its original proposals were destroyed by last week's European Parliament decision to call for 12 per cent price rises. All Ministers had previously indicated their rejection of the Commission's first package based on 7.8 per cent.

By dropping most of its ideas for trying to reduce surplus production and to bring farm supply more into line with demand, the Commission has driven a further nail into the coffin of common agricultural policy reform.

The package will add £567.6m to the EEC farm budget in 1982 instead of the original £464.2m. This will add 8 per cent to this year's £6.72bn farm budget and is close to the 11 per cent expected increase in the EEC's budget revenues next year. There would thus be little extra to spend on non-farm policies.

Ministers are aiming for agreement by tomorrow night's deadline set by last week's EEC summit. The first really thunderous reaction to the proposals came from Mr. Peter Walker, Britain's Agriculture Minister, who singled out for objection the plan to reduce the UK's positive monetary compensatory amount by three points. He said there would be no agreement unless this proposal was abandoned.

A four point reduction from the current 12 per cent MCA level would effectively wipe 4 per cent off the value to British farmers of any agreed price rises. Mr. Walker also objected to a proposal to cut by 20 per cent a £65.78m EEC subsidy on butter consumption in the UK and also found some of the proposed price increases to be on the high side.

Soviet call for technical links with West

By Brij Khindaria in Geneva

MOSCOW is pressing the West for more co-operation in the energy, transport and metals industries.

The moves came at the start of a two-week session of the United Nations Economic Commission for Europe (ECE) which groups East and West European countries, the U.S., Canada and the Soviet Union. The Commission has played an important role in promoting technical co-operation between East and West

The Soviet delegate called for vigorous attempts to prevent the "gathering storm clouds" of East-West tension from slowing co-operation. He emphasised the need to discuss the use of economic and trade sanctions as a means of putting political pressure on the Soviet Union and its allies.

Soviet leaders are worried that consumer pressures on governments throughout the Eastern bloc will grow stronger if shortages cause further austerity. They are now trying to kindle Western interest in co-operation particularly to improve Soviet steel-making, energy exploration and transport.

The U.S. representative told the session that to ignore East-West tension would be "unrealistic and irresponsible."

Pact aims to curb Polish forces

BY LESLIE COLITT IN EAST BERLIN

SOVIET and East German troops inside Poland and along its western borders yesterday continued large-scale manoeuvres against an alleged NATO "aggressor." However, East European officials in East Berlin said the movements were aimed at tying up the Polish armed forces in joint exercises and lessening their ability to respond to any forcible intervention in the country's current crisis.

The East German news agency said Warsaw Pact warships off the Polish Baltic coast which represented the "enemy" were repulsed while trying to land marines by fast missile-carrying boats of the Soviet Baltic Fleet as well as the East German and Polish navies.

An East German military correspondent on board one of his country's torpedo boats reported that it sank an "enemy" ship with the first missile fired. In another sea battle against "invaders," the East German craft were supported by Soviet navy fighters.

The manoeuvres are in theier third week and, according to both Eastern and Western officials, serve a duel political purpose. They put pressure on both Solidarity, the independent Polish union, and Poland's Communist party, which is facing a growing dissention within its rank and file.

The Warsaw Pact never announced the duration of the manoeuvres but Polish officials said they were scheduled originally to last two weeks. Early in March, shipping was warned to stay away from a long stretch of the Polish coast for three weeks where landings of Warsaw Pack marine have taken place almost daily. This ban, however, elapsed some days ago.

Moscow is silent on strike pact

BY DAVID SATTER IN MOSCOW

THE SOVIET news agency TASS reported only briefly yesterday on Poland's tentative strike settlement, and no official comment is expected until the terms of the agreement are publicly known.

The threatened general strike was regarded by many in the West as a possible "turning point" in the Polish crisis, but it may also have been intended by the Soviet and Polish authorities to test the resolve of Solidarity, the independent trade union movement.

From the beginning of the crisis, the political confrontation has involved an underlying psychological confrontation between the Polish and Soviet authorities and Solidarity, with troop movements, possible provocations such as the police attack on Solidarity demonstrators at Bydgoszcz, and implicit threats in the Soviet Press.

The element of testing was particularly evident in the current round of troubles which began shortly after 90 days of industrial peace in Poland could have been ensured.

They were apparently signalled by the remarks of Mr. Leonid Brezhnev, the Soviet President, at the Soviet Communist Party Congress in February that "the pillars of socialism" in Poland were threatened.

Poland now appears to have been brought to the brink of an invasion on two separate occasions. If life returns to normal there, the Soviet authorities will still be left with considerable material for judging Solidarity's likely reaction in any future crisis.

The Soviet leaders may feel the union has shown determination and the ability to command the loyalty of Polish workers. If so, an appreciation of its strength will play a role in any future discussion of whether to invade Poland.

Independent steelmakers ready for talks on curbs

BY GILES MERRITT IN BRUSSELS

EUROPE'S independent steel producers are ready for urgent negotiations on a voluntary steel pact, according to leaders of the newly formed European Independent Steelworks Association (EISA) which groups over 70 key steelmakers.

But their readiness to talk relies on agreement being reached at the resumed April 2 discussions in Luxembourg on quotas between the 12 main state-controlled EEC steel giants that make up the Eurofer "club."

Eurofer's efforts to set up a voluntary production curbs system to replace the mandatory quotas that expire on June 30 have made considerable progress. But a deal with the independents is now seen as crucial

The Eurofer steelmakers have reached basic agreement on three of four broad categories—heavy plate, heavy sections and coils, and sheet steels—although only on heavy plate is there complete accord. However, there are hopes that West Germany's Kloeckner Werke will drop its objections on quota arrangements for the other two.

The steel industry, however, has still to tackle the problem of light sections, such as reinforcing bars, merchant bars and wire rod. Not only was that category currently engulfed in a damaging prices war, not settled at the Eurofer talks, but it is an area in which the EEC's independent steelmakers are particularly active. EISA representatives emphasised yesterday that an equitable deal on production quotas for the independents, which include Italy's highly competitive Bresciani producers, would be vital

The EISA leadership, meanwhile, is making it plain that although further production quotas are welcome as a means of stabilising the crisis in steel, the unsubsidised independents are still placing much more emphasis on the need for EEC governments to reduce immediately the national aids granted to the big European steelmakers.

Armenian killers drive a wedge between Turkey and its allies

BY DAVID TONGE

A 65-YEAR-OLD spectre has risen to haunt Turkey. Since 1973, Armenian terrorists have killed 17 Turkish diplomats and officials abroad. The murder of two Turkish officials in Paris on March 4 is only the latest step in a quickening march of terror; in the past two years alone, Armenian groups have claimed responsibility for over 25 bomb attacks on Turkish offices and international airlines. The groups are calling for the world to recognise the massacres of the Armenians during the First World War. They also seek a homeland in the areas of Eastern Anatolia once known as Armenia.

In Turkey, there is a sense of outrage, not just at the killings but also at the way its allies preach the need to fight terrorism but overlook what threatens to become an even more serious problem.

Death threats have long cast a shadow over the lives of Turkish diplomats abroad. Now the issue is threatening some of the country's friendships. Adm. Bulent Ulusu, the Prime Minister, has recently accused France of failing to protect Turkey's diplomats, five of whom have been slain in Paris streets.

The general anxiety of the military regime over the future of its links with West Europe is helping to delay any break of relations. But the seriousness with which Turkey takes the issue was underlined by the way the generals three weeks ago allowed 1,000 Turkish women to march in protest—the only such demonstration permitted since the junta seized power in September.

Responsibility for the violence has been claimed by some six groups. But it seems possible that the variety of names is deliberate and intended to give an impression of widespread backing for a limited number of terrorists. The groups claiming most of the acts are the Armenian Secret Army for the Liberation of Armenia and the Justice Commandos of the Armenian Genocide.

Both date their foundation to 1975 and appear based in Beirut, where the Secret Army has held several Press conferences. In its latest, four men who claimed to have committed the recent Paris assassinations said they wished to use Soviet Armenia "as a revolutionary base." Around half the world's estimated 6m Armenians live in the Caucasus areas of the Soviet Union. Moscow has strongly discouraged such nationalist movements.

THE ARMENIANS are descended from ancient tribes in Eastern Anatolia. The first mention of the name Armenia is probably in an inscription of about 520 BC set up by the Persian Darius the Great. By 70 BC Tigran of Armenia was the most powerful ruler in western Asia, his empire stretching from Mount Ararat to the Mediterranean.

In 301 AD Armenia became the world's first Christian nation—with the exception of the vanished realm of King Abgar of Edessa. They have never since known independence. Carved up by the Romans, the Armenians were merged into the Byzantine Empire, while under the Ottomans they were organised into their own community.

In the late 19th century, 500 years of comparative calm between the Ottomans and the "loyal nation" came to an abrupt end. Armenian nationalists sided with the advancing Christian armies of Tsarist Russia, taking heart from liberal Europe's talk of an independent Armenia. Armed bands were formed and Armenians later fought alongside the French against the Turks in southern Turkey.

The Turks, who had long feared this would happen, had formed their own irregulars, who attacked Armenians, killing many in 1894-96. Twenty years later, fighting broke out again.

The Great Powers created a short-lived Armenian state in 1920. It existed in theory only. Over half the world's estimated 6m Armenians live in the old Armenian areas of the Soviet Union. Other major communities are in North America, Iran, France, Lebanon, Syria and Turkey, which has a dwindling, ageing community.

The Secret Army is strongly anti-American and has long described the Turkish state as a "fascist regime." It threatens that until the historic area of Armenia is liberated "the Turkish state will know neither peace nor tranquility." It has also talked of co-operation with the Workers' Party of Kurdistan in Turkey, a movement banned by Ankara: 65 years ago the Kurds were active in killing Armenians.

The "Justice Commandos" put more emphasis on reminding the world of the Armenians' fate. They denounce the "callous indifference of the so-called civilised world," saying they aim to "give food for thought to the so-called Free World, the Socialist states and the rulers of the criminal state, Turkey."

Four factors have contributed to this sudden upsurge in violence after more than half a century;

- The fear of some younger Armenians that their racial identity needs to be strikingly underlined if the Armenians are not to suffer the "white massacre" of assimilation in the countries where they live;
- Threats to Armenians in Beirut and, to a lesser extent, Iran, have emphasised their insecurity and lack of a homeland;
- The success of the Palestinians have had in promoting their cause;
- A general challenge by many younger Armenians to the traditional Armenian establishment of church and ageing political parties.

The murders and bombings stretch round the world, from California, through Europe and Turkey itself to Australia. Mr. Hrair Max Gilinjian, an Armenian of French nationality, was arrested one year ago and has been charged in Marseilles with the attempted murder of the Turkish ambassador to Berne. But his trial has not gone forward, while two other Armenians, wounded in a Geneva hotel room last October, when a bomb went off in their hands, were allowed to leave the country after receiving short suspended sentences. Other-

Turks contrast the lack of Western interest in their officials' deaths with the furore which greeted the seizure of the the U.S. diplomatic hostages in Iran. They wonder why countries interested in Turkey's strategic role offer military aid but little help against those seeking to undermine it. They complain at the way press reports on Armenian outrages always refer back to the massacres of 1915.

They point out that many of the Turkish victims were not alive at that time. They argue that blaming the modern Turks for whatever happened under the Young Turks during Ottoman times cannot even be compared with blaming a West German Government next century for the policies of Hitler. "The Jews never attacked the Germans, but the Armenians stabbed us in the back when we were fighting for survival," one comments.

Some Turks question whether Armenians really are responsible for the killing. Turkish newspapers stress how the violence began only after the Turkish landing on Cyprus in 1974.

Many Armenians condemn the killings. Vesken 1, the Chief Patriarch, and Shnork Kalustian, the Armenian Patriarch in Turkey, have deplored the "inhuman assaults."

But talks with Armenians make clear the depth of passion among the younger generation. As one says: "Our grandparents lived in the shadow of the genocide. Our parents fought to establish themselves financially. We have to fight to keep our identity."

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European reassure at NATO meetings

By Bridget Bloom in Brussels

Bid to end Madrid deadlock

By Robert Graham in Madrid

Turkish debt mo...

ICI Australia suspends £208m project

BY COLIN CHAPMAN IN SYDNEY

ICI AUSTRALIA, criticised by Mr. Malcolm Fraser, the Prime Minister, for opening negotiations on a 35-hour week for its chemical industry workers, yesterday responded by suspending a A$400m (£208m) petrochemical project in Sydney.

The company disclosed that at a meeting on Friday with Mr. Fraser and Sir Philip Lynch, Industry Minister, Mr. Fraser had threatened to re-examine the tariff protections for the chemical industry.

The tariffs, designed to protect Australian chemicals producers against imports, are understood to be particularly important for ICI's polyvinyl chloride — PVC — and low density polyethylene — LDPE — businesses. PVC and LDPE are major plastics raw materials. Last night ICI in London said it could not comment on the negotiations of its Australian arm.

At the meeting, Mr. Milton Bridgeland the company's chairman, was told that the Government could reduce tariff's where "a company was heavily dependent on them, to help stiffen the backs of the company" against the 35-hour week. The Government faces an uphill battle against union pressure for the shorter working week.

Mr. Bridgeland said yesterday that if tariffs were cut, the company would be placed in a serious situation, and would have to review current and planned capital investment.

If the Government referred the chemicals industry to the Industrial Assistance Commission, it could take at least a year, and ICI could not be expected to face the uncertainty, so it would suspend expansion plans for the time being.

Only a few weeks ago, the Government announced it was withholding a chemicals industry tariff review until 1984, because of its concern at the effect an inquiry might have on major investment decisions in the industry.

Because of that, ICI Australia announced its $400m plan for a 250,000-tonne ethylene plant at Botany, Sydney and facilities to make polythene, ethylene oxide and its derivatives.

ICI Australia is the country's second biggest publicly quoted industrial company, a major employer, capital raiser and spender. It is also at the centre of the Government's new industrial strategy of placing emphasis on the conversion of energy resources into value-added products.

Treasury expects 4% real growth this year

BY PATRICIA NEWBY IN CANBERRA

THE AUSTRALIAN Treasury expects real growth in the Australian economy for the current financial year 1980-81 to be up to 1 per cent higher than forecast in the national Budget last August.

Mr. John Howard, the Treasurer, said this week that his Department now expected real growth in non-farm product of between 4 and 4.5 per cent compared with an estimate of 3.5 per cent last August. The Australian financial year runs from July 1 to June 30.

The revised estimate follows unexpectedly buoyant economic conditions within the economy in the past nine months, despite drought affecting large parts of Eastern Australia and a depressing world outlook for trade.

Private consumption and private investment are growing faster than the Treasury predicted in August. It nows expects private investment to grow by 20 per cent this financial year, compared with its estimate of 10 per cent in August.

Britain backs Hong Kong

BY KEVIN RAFFERTY IN HONG KONG

LORD CARRINGTON, Britain's Foreign Secretary, reiterated "the unshakeable commitment of the British Government to the stability and prosperity of Hong Kong."

Lord Carrington was speaking after two days of talks in the British-administered territory on the eve of his departure for Peking for talks with Chinese leaders.

The £550m order won by British companies for the building of Hong Kong's Castle Peak B power station was a proof of London's faith in the territory, the Foreign Secretary went on.

Egypt arms for Iraq mark shift in policy

By Our Foreign Staff

EGYPT IS supplying Iraq with "sophisticated" arms to replace those lost in the war with Iran, President Anwar Sadat announced yesterday.

The decision marks a dramatic change in Egyptian policy. President Sadat was among the first Arab leaders to condemn the war and brand Iraq's President Saddam Hussein as the aggressor.

Mr. Sadat had been particularly angered by Iraq's role in leading the opposition to the Camp David agreements with Israel and bitterly attacked the 1978 Baghdad summit decisions to boycott Egypt.

He has consistently declared that the war, now in its seventh month, is totally against Arab and Islamic interests in the Middle East.

Ammunition

However yesterday the semi-official Egyptian newspaper Al-Ahram published reports carried on American television that Cairo had supplied 4,000 tonnes of ammunition, missiles, heavy artillery and spare parts to Iraq.

Mr. Sadat told journalists yesterday that although Egypt maintained its disapprovel of the war, it wished to repay a similar Iraqi act in 1974 when the Soviet Union had cut off arms supplies to Cairo. President Saddam Hussein stated earlier this year that Iraq had not received any Soviet supplies since the outbreak of the Gulf war.

The Egyptian President expressed his regret that Egypt was not able to make a gift of the weapons as Iraq had done seven years earlier, and did not specify what arms had been sent.

Opposition

Mr. Sadat's opposition to the war has been more than matched by his attacks on the Iranian régime.

With the Camp David peace process stalled, there is speculation that Mr. Sadat is looking to mend his fences with the Arab world, and Cairo was encouraged last week by Sudan's decision to resume full diplomatic relations.

Mr. Sadat said yesterday that Egypt had been originally approached through a third party, and an Iraqi official later arrived in Cairo to sign the sales agreements. Iraq was welcome to buy as much ammunition as it wanted from Egypt, Mr. Sadat declared.

Begin bounces back in Israel opinion poll

By Our Tel Aviv Correspondent

ISRAEL'S Prime Minister, Mr. Menahem Begin, two months away from a general election, bounced back strongly in the opinion polls yesterday.

A survey indicated that a national ballot now would give Mr. Begin's Likud bloc more than a quarter of the 120 seats in the Knesset (Parliament), enough to raise the possibility of stitching together a new governing coalition.

The figures were bleakly received by the Opposition Labour Party which, at the turn of the year, had seemed poised for a landslide victory.

The new opinion poll, conducted for the Jerusalem Post, predicted 45 Knesset seats for Labour against 33 for Likud. Last month, Likud was given 20 seats at best.

Michael Holman in Lusaka reports on the demise of a remote and ill-fated steel industry

Zambia pays a heavy price for a steel dream

ZAMBIA IS belatedly and painfully counting the consequences of an abortive iron and steel project likely to cost the nation over £32m.

"In the experts' opinion there has never before been a comparable project in the world with such an accumulation of negative factors," is the conclusion of a post-mortem by Korf Engineering of West Germany.

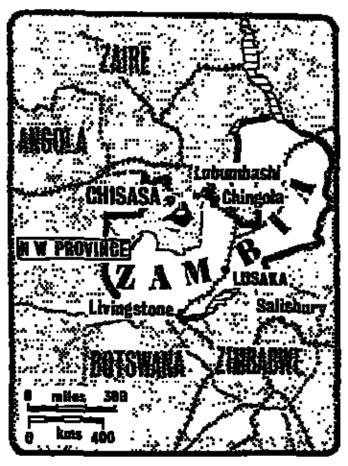
The only return for the outlay, mainly in foreign exchange, is a cluster of buildings in a remote corner of the country and specially commissioned plant in the U.S. and Europe with little more than scrap value.

Zambia has already paid out Kwacha 19m (£10.3m) between 1973 and 1976. But it must find over Kwacha 40m (£21.6m) to meet equipment costs, loan servicing plus interest, and storage charges, Mr. Mufuya Mumbuna, the Minister of Mines, told Parliament last month. Zambia is already financially exhausted after years of low copper prices.

It owes somes Kwacha 500m in payments for imports and remittances of profits and dividends, and desperately awaits the conclusion of negotiations with the International Monetary Fund for over Special Drawing Rights 500m (£274m) to salvage an economy dependent on copper and cobalt for 95 per cent of its export earnings.

There has been disquiet about the Technical Industrial Kalumbila Associate (TIKA) Steel plant since its inception. But details started to emerge only this month under pressure from parliamentary backbenchers, when Mr. Mumbuna asked MPs to approve Kwacha 2m to meet some of Tika's more pressing debts. A 28-page ministerial statement, the 1979 Korf report and an earlier, unpublished Ministry of Mines report make a disastrous picture.

The story begins in 1972, with Tika's registration soon after Marshal Tito, the late Yugoslav leader, visited Zambia, giving rise to speculation that the company name is an acronym of the first two letters of the names of Marshal Tito and President Kenneth Kaunda of Zambia.



The Tika steel plant's board of directors included such illustrious names as that of Mr. Daniel Lisulo, ex-Prime Minister, right, and Mr. Humphrey Mulemba, secretary-general of the ruling party. But nothing has gone right for the project.

The next year the Government decided to go ahead with a 200,000-ton-a-year integrated steel plant at Chisasa, a remote village in North-Western Province, in the triangle of territory formed by Angola in the west and Zaire to the north. The ruling United National Independence Party took 80 per cent of the Kwacha 1m equity, and the Yugoslav company Energoprojekt held the balance.

The chairman of the board of directors was Mr. Humphrey Mulemba, a member of the party's central committee, who comes from North-Western Province. Other directors included Mr. Daniel Lisulo, Zambia's Prime Minister until last month, and Mr. Bitwell Kuwani, then Bank of Zambia governor and back in that role since last year.

Nothing seems to have gone right. Ever since independence in 1964, Zambia had wanted a steel plant but several studies, including one by W. S. Atkins and Partner (UK) concluded it would be uneconomic. Yet the Kwacha 50m contract—impossibly low as it turned out—was signed with Energoprojekt by Mr. Mulemba, now secretary-general of the ruling party and number two to President Kaunda, before a feasibility study had been completed.

It was the beginning of a costly, ill-founded exercise. It transpired that the ore bodies at Chisasa are, in several experts' opinion, inadequate to support the steel plant. Forecasts of Zambian consumption were far too high, and the price of naphtha—a key ingredient in the steel process—soared after the 1974 oil crisis. The cost of Tika steel, had production begun in 1979, is estimated at $618 a ton, double the world price that year. The cost of the plant rose from $80m in August 1973 to $253m in November 1976.

Proper account had not been taken of the massive infrastructural costs for Chisasa. It is 170 miles from the nearest railhead, at Chilonga, and the steel plant would require a 330-kilovolt high-voltage line over the same distance. A town to house 10,000 (based on a 1,000 work force) would have to be built from scratch, all of which would have pushed 1979 costs to at least $325m.

Some of this information was available to Tika directors at an early stage. In June, 1974, a report by the state-owned Mineral Development Company (Mindeco) raised doubts about the ore body at Chisasa, the use of naphtha and the unrealistic costing of the project. It suggested alternative sites.

Nevertheless, in addition to the initial turnkey contract, some 15 contracts were signed by the board between the second half of 1974 and mid-1977.

The project was assigned to three major firms. Apart from Energoprojekt, they were Mannesman Demak of West Germany, and Pullman Swindell of the United States.

Financing was to come from three sources: Demag, responsible for building the melt shop, continuous casting plant and rolling mill, was to raise the capital through Kreditanstalt Für Wiederaufbau, the West German Government-owned soft loan agency, and Ausfuhrkredit-Gesselschaft, an export financing institution set up by four large German banks. Energoprojekt, responsible for mining equipment, the beneficiation plant and the pelletising plant, planned to raise money through the privately owned Société Belge d'Etudes et de Répresentations Industrielles (Soberi) of Belgium. Pullman-Swindell failed to get U.S. Export Import Bank finance and part of their work was paid for by Tika through a Bank of America letter of credit via the Bank of Zambia.

Towards the end of 1974, Energoprojekt withdrew, for reasons not entirely clear, and the Zambian Government took up its 20 per cent of the equity.

In early 1975, Tika signed an overall consultancy agreement with Swindell Dressler, and later in the year signed a financial deal with the West German institutions. This was followed by a May 1977 agreement between Tika and Banque Bruxelles Lambert of Brussels to finance a supply contract, signed at the same time, with Soberi.

The main Demag contract—worth DM184m (£39m)—was signed in August 1974 for equipment for electric steel making, continuous casting and rolling mill plants. This was followed by a supplementary agreement in July 1975, and the Zambia Ministry of Mines report says the contract was 70 per cent completed.

Quite where matters stand now is difficult to determine. The most recent Tika report is an unaudited statement of assets and liabilities in May 1978. The Ministry of Mines report notes: "Some of the liabilities of the company were not provided for in the balance sheet."

Mr. Mumbuna plans to visit Europe and the United States soon to meet creditors and determine the exact obligations. He hopes to arrange payment over the next five years. But Mr. Mumbuna told the House that the delay in reaching a final settlement is costing Zambia Kwacha 500,000 with every month that passes.

U.S.: AFTER THE SHOOTINGS

A mood of sadness and resignation

BY PAUL BETTS IN WASHINGTON

WHAT in the world is the matter with us?—Americans, across the country, asked the same question as a Senator from Kansas yesterday when the nation was still shocked by the shooting of President Ronald Reagan on Monday.

When the news first broke, there was bewilderment and disbelief. "It's happened again," a porter at Washington airport muttered as reporters, cameramen, bustling between businessmen and women with children, stampeded to the long queue of taxis outside.

On television, Americans, for the first time without the commentary of Walter Cronkite saw the drama as it developed moment by moment. Their disbelief turned to anger and shock and then to a sense of sadness, of resignation.

Politicians—whether Republican or Democrat—tightly closed ranks. Senator Edward Kennedy told a Senate gallery yesterday filled with tourists and schoolchildren: "Violence and hatred have no place in our society."

The House Speaker, Mr. Thomas O'Neill said: "I am shocked this has happened and I join all Americans in praying for the President and the others who were injured."

One of the President's daughters, Maureen, said: "My reaction is fury and rage and frustration and anger, that in this country this kind of garbage still goes on."

Churches across the country held prayer vigils. Former President Carter said he and his wife "joined the entire nation in prayer for the well-being of all those wounded."

Wall Street came to a halt. The Hollywood Oscar celebration was postponed for 24 hours until last night, and Mr. Frank Sinatra dropped his show in Las Vegas to fly to Washington.

In the streets of Washington yesterday things seemed to go on as they do on any day except for the posse of police and reporters outside the George Washington Hospital. But the mood, relieved by President Reagan's wisecracks and continuing reports that he was recovering well, turned again to the old problem of guns.

Senator Daniel Patrick Moynihan of New York captured this mood when he said yesterday: "How much shooting is going to happen before we get rid of those guns? This is the sixth President in this century to be shot at."

But the sadness over the dramatic events of Monday—the shots, the initial confusion, the panic, the anguish—was later matched by another kind of sadness, that of a nation basically saying they had seen it all before.

There was anger by some that the university basketball championships were not called off but aired on television between bulletins on the President's health. The Washington Post wrote: "Let's hope that someone somewhere believes something is more important than a damned bouncing ball." But many in fact seemed to welcome the relief provided by the games.

In any extraordinary situation of this kind, feelings are bound to be conflicting and span the extremes. One woman in Oregon seemed more concerned that the news coverage of the assassination attempt had interrupted here favourite soap opera. "If it had to happen, I wish it had happened an hour-and-a-half later."

Hopes rise for Brady's survival

By Our U.S. Editor in Washington

DOCTORS were more optimistic yesterday that Mr. James Brady, the presidential Press Secretary (below), would survive the bullet that passed through his brain.

Dr. Denis O'Leary, of the George Washington University Hospital, said: "We believe he's going to live. We are cautiously optimistic, but we have no idea where he is going to end up."

Mr. Brady was able to respond to requests to move some of his limbs. He suffered extensive damage to the right side of the brain but there were hopes, after four hours of neuro-surgery, that his speech and reasoning functions might not be impaired.

There was particular concern in Washington for Mr. Brady, who has proved in two months that he is genial, humorous and helpful.

He was, by common consensus, unlikely ever to be the influential Press spokesman that Mr. Jody Powell was for President Carter. As a relatively late addition to the Reagan entourage last year, he was not a member of its inner circle.

But he has endeared himself to the Press, if not always to Mr. Reagan's top aides, by his irrepressible sense of fun. The most frequently mentioned incident occurred in the campaign last year at a time when Mr. Reagan was being derided for his assertion that 90 per cent of all pollution in the air came from plants and trees.

When the Press plane was flying over a forest fire, Mr. Brady ran up and down the aisle yelling "killer trees, killer trees."

A burly, unkempt man who is fond of cooking, Mr. Brady was not even the first choice as presidential Press Secretary. One reason was reported to be because Mrs. Nancy Reagan wanted someone better looking in the job, which prompted Mr. Brady, in his first appearance on inauguration day, to say: "I'm not here because I'm just another pretty face—I've got some news for you."

Poignantly, Mr. Powell's departing present for Mr. Brady was a bullet proof vest—to protect him, Mr. Powell jokingly said, from the assault of the Press.

John Hinckley, accused of attempting to assassinate the President, sits between detectives in a police car after being brought before a court in Washington

Secret Service orders an internal inquiry

BY DAVID BUCHAN IN WASHINGTON

ONE SECRET Serviceman lies wounded and the service's reputation dented after Monday's dramatic shooting at President Reagan and his entourage, despite the universal recognition that no absolute protection is possible against an assassin willing to risk capture.

The immediate question being asked is how the Secret Service, charged with the President's protection, came to let Mr. John Hinckley, who apparently had no Press credentials, into an area reserved for specially-cleared reporters and cameramen and only a few yards from Mr. Reagan.

There was no criticism at the speed of the Secret Service reaction once the first shot was fired. Mr. Reagan was rudely shoved and manhandled into his car and driven off at high speed.

Mr. John Warner, the Secret Service spokesman, said yesterday that an internal probe had been started to check that agents did all they could and made no mistakes. So far the Service did not feel it was to blame for the sequence of events that allowed Mr. Hinckley to get close enough to injure Mr. James Brady, the White House Press Secretary and a District of Columbia policeman very seriously, and the President and a Secret Service agent quite badly.

The White House said yesterday that it had not yet considered placing new restrictions or screening on Press personnel accompanying the President. But one of the reasons for the apparent slip-up over Mr. Hinckley may have been that the number of journalists with Secret Service clearance was vastly increased last year during the election campaign, by the issue of a new pass with laser checks.

The Secret Service may not have been at fault for another hole in the security net through which Mr. Hinckley slipped. It says it was not told by Nashville authorities that Hinckley had been picked up last October at the airport there while trying to board a New York bound aircraft with three guns and ammunition.

Mr. Hinckley was fined a small amount and his guns were confiscated, but the incident was not reported further, despite the fact that President Carter was at Nashville airport the same day and that both he and Mr. Reagan were due in New York a few days later.

"A person with three guns in a bag, not declaring them in an airport and getting on a plane the same day the President was coming through should have been reported to us," Mr. Warner complained.

As a result, Mr. Hinckley was not on the Secret Service's 400-person file of high-risk potential assassins, nor on its much broader list of some 25,000 people who have, at some time or other, appeared threatening to a president, either phsycally or verbally

These lists are computerised and periodically updated, but they may not help. Miss "Squeaky" Fromme was on such a list and she took a shot at President Ford in 1975. The use of these lists is not to tail everyone on them—the Secret Service has not the resources to do this—but to check local threats in a region of the country visited by the President. This could not be done with Mr. Hinckley who has been in Texas, Tennessee, Colorado and the District of Columbia in the past year.

As Secret Servicemen privately explained it, President Reagan's engagement at the Washington Hilton Hotel on Monday posed an awkward security problem. It was not a fully public speaking engagement in which the service carries out a full screening on those attending. Nor was it one of those impromptu presidential plunges into strange crowds, less a risk than they appear since they are totally unscheduled. Instead, the Hilton engagement was in between, closed to the Press and public but with the Reagan entry and exit times known to all.

The 1,500-strong Secret Service is not so secret. For a start, half of them wear uniform, standing guard at the White House and foreign embassies in Washington. Those nominally in plain clothes have a clear uniform to the practised eye: conservative haircuts, three-piece business suits of the type worn by Middle America's executives, and always what looks like a hearing aid but has a wire running under the agent's jacket collar to a hidden radio transmitter.

That, and the inevitable concealed revolver, gives agents a jacket bulge.

A presidential motorcade has formidable firepower. The President's car is usually followed and preceded by an armour-plated back-up limousine and several station wagons with men carrying Israeli-designed submachine guns, as well as other weapons

The fair-haired wanderer who decided to shoot a President

BY PAUL BETTS

IN SLOWER motion, the television pictures—echoing so clearly the shooting of John Kennedy in Dallas nearly 18 years ago—froze on the clean-shaven face of the ordinary-looking, fair-haired man who was smothered by security agents on a Washington footpath.

Early yesterday morning, that same young man was charged with the attempted assassination of President Ronald Reagan. Later a police witness said he looked "bored and solemn," replying "Yes, sir," "No, sir." The prosecutor described him as "wandering, aimless, irresponsible," "a man who had worked only one week in his life."

Four days ago, John Warnock Hinckley Jr., the 25-year-old son of a wealthy, Republican-voting Western oil man, got on a bus in Denver, Colorado, for Washington.

Over the previous two weeks, he had not been at his parents' home in the Denver suburb of Evergreen, where life is normally tranquil, comfortable and uneventful. Instead, he had stayed at the Golden Hours oMtel, one those non-descript, rather shabby motels found dotted all over the American landscape.

At 2.30 on Monday afternoon, in faded jeans and a blue-striped white shirt, he pulled the "Saturday night special", the popular name for a .22 pistol, which he bought last October at the Rocky Pawn Shop in Dallas—in the same street where President Kennedy was shot. He then opened fire as President Reagan walked to his armoured limousine outside the Hilton Hotel, in Washington.

America watched with shock, outrage and a sense of fascination the seemingly senseless act by a solitary, unknown college drop-out who had been arrested last October and subsequently released after paying a £62 fine for trying to smuggle three hand guns through Nashville Airport.

Hinckley was arrested two hours afte President Carter arrived at the same airport to address an election rally. Hinckley was trying to board an aircraft to New York where both President Carter and Governor Reagan were scheduled to speak a few days later.

Little else of great consequence is known of John Hinckley. He attended elementary and middle school in Dallas, played basketball and American football, and then went to the virtually all-white Highland Park High School in the wealthy Dallas suburb of Highland Park.

He left high school in Dallas in 1973, before enrolling at Texas Tech University. He never graduated; but drifted and wandered.

One of his classmates said after the shooting: "If I had to pick someone out of school who would take a shot at the President, I would not pick Hinckley."

But the leader of a neo-Nazi group in Chicago claimed that Hinckley was an ex-member who had been expelled because he allegedly wanted to "boot people and blow things up."

Mr. James Robinson, a lawyer for the Hinckley family in Colorado that his parents were "grieved and heartbroken by the tragedy. They love their son and wil lstick by him." But the lawyer said that "John has been recently under psychiatric care, although the evaluation did not alert us to the seriousness of his condtion."

Although it is clearly impossible to dimiss all doubts, of a broader conspiracy, John Hinckley appears to fit quite eerily the composite profile of the kind of American most likely to attempt a shot at a president.

Such a profile had been prepared by security experts in the wake of the shooting of President Kennedy. It portrays a white man (a black has never been associated with any of the nine assissination attempts against American presidents) shortish, slender, with an unsatisfactory military record, and difficulty in holding down a job. Most, according to the profile, were moved by personal frustrations rather than political reasons.

New pressure for clamp on gun sales

BY OUR WASHINGTON CORRESPONDENT

AS NEWS of the Reagan shooting spread along the aircraft while I was returning to Washington, the man in the row behind started a dispassionate discussion of the relative merits of the .22 and .38 calibre pistols he owned. One was for target practice, he explained. The other he used for self-defence and kept behind a bookcase in his living room.

The man in question seemed confident that he, like 50m other gun-owning Americans, would not have to face new arms restrictions from Congress—even in the wake of Monday's dramatic shooting. He is probably right.

The key to any change in American law will now lie with President Reagan himself. If, bathed in a tide of public sympathy, the recuperating President was to reverse the attitudes of a lifetime and support tighter controls he would almost certainly overcome one of the best-organised and financed lobbies on Capitol Hill, headed by the National Rifle Association.

U.S. VIOLENT CRIME

1970	738,820
1971	816,500
1972	834,900
1973	875,910
1974	974,720
1975	1,026,280
1976	986,580
1977	1,009,500
1978	1,061,830
1979	1,178,540
1980*	1,331,750

* Provisional

Source: FBI

The shootings coincide with a marked increase in violent crime across the country. The overall crime index put out by the Federal Bureau of Investigation rose 10 per cent in 1980 over the 1979 level, led by a 13 per cent rise in violent crimes of murder, rape, robbery and aggravated assault.

Of the murders recorded by the FBI in 1979, 63 per cent involved the use of guns.

All his political life, Mr. Reagan has opposed gun control—a view that has endeared him to conservatives, some of whom believe that it is the thin end of the Communist wedge. It is a view he sharpened during the 1980 election campaign. He has always held that "people, not guns themselves, kill people," and the answer is to increase sentences for shooting offences.

This view is shared by conservatives on Capitol Hill, notably Senator Strom Thurmond, chairman of the Judiciary Committee, who wants to bring back the death penalty for certain federal crimes.

Mr. Reagan's lack of interest in gun control has been evident from his budget intention to cut back the Treasury Department's Bureau of Alcohol, Tobacco and Firearms, which traces guns used in crimes and enforces what few gun sale restrictions exist at the federal level.

Should Monday's attack change Mr. Reagan's mind, there are several legislative proposals for tighter controls that he could support. The most comprehensive is that sponsored by Senator Edward Kennedy and representative Peter Rodino, both Democrats. Senator Kennedy was the chairman of the Senate Judiciary Committee, and Mr. Rodino still chairs the Judiciary Committee in the House.

While there are far too many guns floating around America to ensure that some do not fall into the hands of criminals and lunatics, a Kennedy-Rodino law would at least have made it harder for a John Hinckley to stroll into one of the 180,000 gun shops in America and buy a deadly weapon.

A provision of the Kennedy-Rodino Bill would make gun-buyers wait a minimum of three weeks, while a formal check was made of their police and health records.

At present, anyone buying a gun only has to fill in a form asserting that he has no criminal, mental health, or drug record.

Brezhnev condemns 'criminal act'

BY DAVID SATTER IN MOSCOW

PRESIDENT, Leonid Brezhnev of the Soviet Union, yesterday wished U.S. President Ronald Reagan "a full and early recovery" and said the Soviet leadership had learned of the assassination attempt with "indignation."

In a telegram to Mr. Reagan, Mr. Brezhnev said the Soviet leaders were "firmly condemning" the "criminal act."

In January 1969, Mr. Brezhnev himself was believed to have been the object of an assassination attempt, from which he escaped unhurt, when a man later described as a mentally deranged army officer fired at his motorcade as it was entering the Kremlin.

Richard Hanson adds from Tokyo: Former President Gerald Ford, who survived two assassination attempts, said in Tokyo yesterday he still does not support mandatory registration of firearms in the U.S.

He said controlling guns through registration would not prevent attacks by "screwballs."

He advocated that laws dealing with crimes committed with weapons should be dealt with more severely, but said he had an "adverse reaction" to national gun registration.

The Japanese reaction was one of relief when Mr. Reagan was reported to have been successfully operated on. The Tokyo Stock Exchange recovered from a steep decline to reach a new record high for the Nikkei Dow Indicator, up by Yen 26.37 to Yen 7,334.31. The dollar regained ground against the Yen.

Mr. Ford, who had been in touch with the White House by telephone, said he did not think the May visit to Washington by Mr. Zenko Suzuki, the Japanese Prime Minister, would be affected by the shooting.

The Japanese Government, however, thinks there may be delays in the talks on Japanese car exports to the U.S.

Mr. Suzuki and Mr. Masayoshi Itoh, the Foreign Ministry, said yesterday they would pray for Mr. Reagan's speedy recovery.

OTHER AMERICAN NEWS

Viola promises to ease curbs on unions and political parties

BY MARY HELEN SPOONER IN BUENOS AIRES

LIEUTENANT - GENERAL Roberto Viola, Argentina's new President, has promised to continue the policies of his military predecessors while easing restrictions on trade unions and political parties.

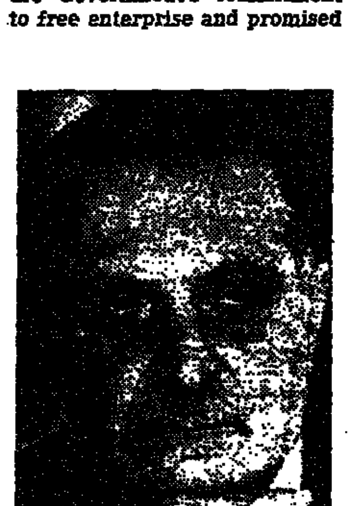
The peso plummetted on the black market in expectation of a big devaluation as the Central Bank kept the foreign exchange markets closed.

Gen. Viola, in his first public speech, said that his Government would "revive the economy, create a more realistic exchange market, fight the causes of inflation, reduce interest rates and extend financing periods."

The basic orientation of the military regime led by Lt. Gen. Jorge Videla, which seized power five years ago, would be maintained, he said. At the same time, Gen. Viola noted that changes had since taken place both within Argentina and abroad and would necessitate new courses of action.

He gave qualified support to freedom of the Press and said the country's banned unions and political parties must be allowed to participate in "a solid, modern and stable democracy."

On economic policy, Gen. Viola acknowledged the tensions and anxiety in the financial community over anticipated policy changes. He reiterated the Government's commitment to free enterprise and promised to speed up the sale of state-owned holdings to the private sector.



General Viola: change and continuing of policy

But he also promised to protect Argentine industries from dumping by foreign exporters and work toward increasing real wages and employment levels.

Argentinian officials have still not announced the long-awaited package of economic measures, including a devaluation of the peso from between 20 to 50 per cent. On Monday, the Central Bank shut down in the exchange market in an effort to curb speculation and stem the loss in foreign reserves.

This move sent the black market exchange rate up to 3,000 pesos per dollar. The official exchange rate had been 2,300.

Argentine foreign exchange dealings remained suspended in a bid to prevent speculation and currency outflow ahead of a economic package announcement.

Expectations of a devaluation have prompted heavy dollar purchases, and foreign exchange reserves have fallen over $1.5bn to about $5bn since the beginning of February, dealers said.

Gen. Viola was reportedly conferring with Sr. Lorenzo Sigaut, the Finance Minister, and other economic officials as the final details of the new economic measures were determined.

Wage rise for Sao Paulo metalworkers

SAO PAULO metalworkers yesterday accepted a wage increase thus avoiding a strike, Rik Turner reports from Sao Paulo. For the past three years strikes by the metalworkers represented the major labour event in Brazil and were judged by many to be the yardstick of the Government's liberalisation process.

The strike last year ended in Government intervention with the strike leader Sr. Luis Inacio da Silva and 11 others being removed from office and receiving prison sentences.

This year's agreement was reached against a background of lay-offs in the Brazilian car industry, suffering the effects of the country's deepening recession. Last week, workers at the country's biggest factory, Volkswagen, accepted a reduction in working hours as an alternative to 7,000 dismissals. The company had already sacked 4,600 workers in January and February, representing over 10 per cent of its workforce.

At the beginning of this week Fiat announced that 7 per cent of its workforce, some 600 men, would be laid off by the end of April, and General Motors dismissed 1,000 men in February.

Shuttle launch date

Officials in charge of the U.S. space shuttle programme said yesterday that they were planning a launch date of April 11 for the spaceship's maiden voyage, Reuter reports from Cape Canaveral.

Chrysler beats loan deadline

BY IAN HARGREAVES IN NEW YORK

CHRYSLER, the U.S. Motor Company bailed out by Government loan guarantees twice in the past year, yesterday met an important deadline for repaying $71m (£31.6m) to its banks.

The repayment was the first of four instalments designed to eliminate over $1bn of the company's debt by next March.

When this deal was negotiated by banks several weeks ago, therewere fears that Chrysler's finances were deteriorating so quickly that payment would be jeopardised.

But a huge price discounting programme in force by Chrysler and its dealers since Christmas has kept sales moving at a brisk rate, generating adequate cash to meet the deadline.

Although Chrysler is almost certainly losing money on the cars it sells because of the discounts, it is at least generating cash and improving its market share—a strategy designed to keep the company in business long enough for a merger partner to be found.

Chrysler's next repayment $23.8m—is due in September.

Chrysler is the only one of the U.S. motor manufacturers to have gained market share this year, advancing to a more than 12 per cent share of the domestically-produced U.S. car market in the period to mid-March, compared with 9.7 per cent in the same period last year.

But competitors say the Chrysler gains have only occurred because its price discounting plan was introduced earlier and because it is more generous than schemes in effect at Ford and General Motors.

It is also significant that the importers, who took a record share of the U.S. market last year, have also been forced into price discounting in order to hold their position in the market.

The indications are that they have been successful, taking 29 per cent of the market in February.

That is one reason why the pressure upon the Reagan Administration to take action against Japanese car imports is still intense

Court defers Iran decision

A FEDERAL Appeals Court in New York yesterday reserved a decision on a request by the U.S. Government to nullify over 300 claims totalling about $4bn (£1.78bn) brought by U.S. banks and corporations against Iran.

The court was asked to uphold the legality of the order by the Carter Administration to return assets attached by the suits to Iran.

Former President Carter ordered suspension of the claims as part of the agreement which freed the 52 American hostages from Iran in January. Claims will be heard by an international tribunal.

Reuter

Clark accuses Trudeau of 'constitutional kidnap'

BY VICTOR MACKIE IN OTTAWA

MR. Joe Clark, leader of the Opposition Progressive Conservative Party has accused the Canadian Government of trying to "kidnap" the constitution before the Supreme Court of Canada deals with the issue of its repatriation next month.

The Liberal Government, he said, is "picking up" the question and departing from the country with it—exporting it to Westminster before the Supreme Court has a chance to make its decision.

Mr. Clark was speaking in the Commons on Monday, the fourth day of the Conservatives' filibuster. Both in the question period and later during a procedural argument Mr. Clark said the Commons and Senate should not be debating the Government's plan before the Supreme Court hears appeals on it.

Oil companies denounce 'Machiavellian tactics'

BY OUR OTTAWA CORRESPONDENT

THE CANADIAN Government has employed "dangerous, Machiavellian tactics" to discredit major oil companies operating in Canada, according to Mr. Stanley Roberts, president of the Canadian Chamber of Commerce.

Mr. Roberts told the Canadian Club in Montreal that Ottawa had tried to use a government study of alleged oil and gas price-fixing to persuade Canadians that the national energy policy announced last October was sound.

The study claimed that major oil companies were charging too much at the petrol pumps. But Mr. Roberts described the study as an "unscrupulous attempt ...

"The industry involved is being persecuted because it cannot be prosecuted," he said. The Government itself has acknowledged that under existing legislation it would be difficult to lodge a prosecution

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Conflict deepens in EEC relations with Third World

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

THE EEC is in a deepening dilemma over its relations with the Third World. The European Commission is worried about the lack of coherence in policy and attaches great importance to the relaunching of the North-South dialogue. But member governments approach each issue involving the Third World as a self-contained problem.

Thus there are contradictions and different priorities, compounded by the interests of the private sector. They are explored in a new survey, just published in London* and emerge most strikingly in energy and capital and trade flows.

● Energy. There is a conflict between the interests of the oil companies and the broader interests of EEC states. Companies tend to orientate their activities towards developed countries, the survey argues, while the broader interest of the member states is in building up production in the Third World. The latter course would reduce competition for oil supplies, help the Third World avoid foreign exchange crises and thereby ease the purchase of EEC products.

EEC and national energy aid to the Third World was about $1bn last year and concentrated on non-oil projects. Under the first Lomé Convention, the umbrella co-operation agreement between the EEC and 59 developing countries, and running from 1976 to 1980, aid was concentrated on hydro-electric projects. Up to 1978 there were no investments in the oil sector.

The second Lomé Convention in force since January, puts slightly more emphasis on oil but, apparently, finance for oil exploration will only be on a modest scale. The survey says the EEC tends to concentrate on the needs for commercial energy of a small section of the population and neglects the problems associated with traditional fuels such as wood, animal dung and crop residues. In the mid-1970s, fuel wood alone contributed 96 per cent of the energy consumed in Tanzania, 91 per cent in Nigeria and 90 per cent in Uganda.

THIRD WORLD EXPORTS MOST AFFECTED BY EEC ENLARGEMENT (1977 figures)

	Value of imports million European units of account	Percentage from Developing countries	Percentage from Greece, Spain, Portugal
Fresh vegetables	1,451	62.4	15.9
Fresh fruit	2,361	49.8	26.2
Olive oil	150	54.2	31.3
Prepared vegetables	516	35.1	33.4
Prepared fruit	742	39.7	18.9
Wine	351	10.3	71.5
Clothing	4,882	53.4	12.7
Textiles	4,083	37.6	12.4
Transport equipment	6,240	3.6	12.5
Iron and steel	3,773	7.8	10.5
Footwear	750	35.2	26.8

Source: Eurostat. 1 European unit of account was equivalent to £0.67.

● Capital flows. The survey challenges conventional wisdom that the recycling of oil funds has worked smoothly. The credit criteria of the Euromarkets have resulted, in fact, in a transfer of funds from the poorest to the richest developing countries. It finds that 99.7 per cent of net Euromarket lending to non-oil developing countries at the end of 1979 was to Argentina, Brazil, Liberia, South Korea and Mexico—which remains in the list for historical reasons.

● Trade flows. Here development priorities take second place. But the survey optimistically forecasts that the EEC will not erect wide-ranging restrictions on Third World imports—"the EEC's internal dynamic works on the whole in favour of free trade." But the Commission and the member government have been at odds. Since the survey went to press, the Commisson has diluted its traditionally liberal trade stance, most evidently in the position being prepared for a new international Multifibre Arrangement to cover textiles trading.

In a wider context, trade rights given to the developing countries under the Lomé Convention are only superficially liberal. The EEC points out that 99.5 per cent of their exports enter the EEC duty free, but the survey notes that this is because most of them are raw materials.

The first Lomé Convention seems to have had little effect on the pattern of trade flows. But there have been minor adjustments in the second Convention which should help agricultural trading.

As for aid, by September 1979 "almost four-fifths of the aid available to finance development projects remained to be spent, although the Convention had almost run its course." Aid provisions have thus been of questionable effectiveness, while the European Development Fund is accused of failing to adapt to new development priorities.

The Lomé Convention "sits at the apex" of the pyramid of relationships between the EEC and the Third World. It can be questioned whether the EEC can afford any longer to discriminate against some developing countries outside it, in which it has greater interests, economic, political or strategic.

But the survey warns that "potentially, the most destabilising of all the changes likely to affect the pyramid in the near future is the enlargement of the EEC." It says EEC members have tended to focus on the effect the accession of Greece, Spain and Portugal will have on the internal problems of the Ten. But it says it will also create "major problems for the EEC's Third World trade partners."

* *EEC and the Third World: A Survey 1, edited by Christopher Stevens; Hodder and Stoughton, in association with the Overseas Development Institute, London, and the Institute of Development Studies, Sussex; 150 pp; £5.*

Iron ore technology wins contracts for HYL of Mexico

BY ROY HODSON

NEW Direct Reduced Iron (DRI) plants for the production of more than 5m tonnes of steelmaking material a year have been ordered from HYL, the Mexican pioneers in the technology, in a series of recent deals which run counter to the overall recession in world steelmaking.

The other leading marketer of DRI technology, the Midrex Corporation of Charlotte, North Carolina, has also notched up a sales success for DRI winning a funding award through the U.S. synfuel programme to reduce U.S. dependence upon imported oil by increasing the use of coal and other forms of domestic energy.

The growing impact of the DRI technique as a way of making maximum use of local energy resources, with comparatively modest capital investment, is starting to pose a threat to long-established national steel industries which have heavy fixed investment in blast furnace technology.

Some industrially advanced nations, notably Japan, are already engaged in long-term plans to exploit the attractions of shipping cheaply-produced DRI material which is produced in developing nations with inexpensive energy and local ore.

HYL made public its new HYL-Three continuous reduction process six months ago. The first plant to use this continuous gas-based process to make DRI has now been operating successfully at Monterrey, Mexico, for a year at a rate of nearly 300,000 tonnes of DRI material annually. The company reports that the plant has been producing for 98 per cent of the time, even though it has been used to experiment with different kinds of iron ores as the raw material.

The commercial HYL-Three plants will be constructed in five separate projects in Mexico and other countries in capacity sizes ranging from 250,000 tonnes of DRI a year to 2m tonnes of DRI a year.

The Midrex U.S. Government contract involves a plant at Georgetown, South Carolina, to make gas from coal and use the gas as a feedstock for the direct reduction of iron ore at Georgetown Steel Corporation. The coal-based approach to the production of DRI as an alternative to natural gas feedstock opens up the possibility of replacing ageing blast furnaces.

Italians win £31m Peru aircraft order

By Rupert Cornwell in Rome

AERMACCHI, the Varese-based Italian aerospace concern, has won a L70bn (£31m) order to supply Peru with 14 of its new generation of MB-339 jet trainers, derived from the highly successful MB-326 aircraft.

The first aeroplanes, which have already entered service with the Italian Air Force, will be delivered at the end of this year. The deal is a promising omen that the new aircraft can repeat the success of its predecessor, particularly in export markets.

Foreign sales accounted for 60 per cent of last year's total Aermacchi turnover of L86bn, according to Sig. Fabrizio Foresio, the company's chief executive.

A further major source of work will be Aermacchi's share (along with the state-owned Aeritalia aerospace group and Embraver of Brazil) in the programme to build the AMX, a new tactical and battlefield support aircraft to replace the almost obsolete Fiat G91S still in service with the Italian Air Force.

Under a deal recently concluded here, Italy will order 180 of the new aircraft and Brazil 99.

Zimbabwe move to avoid S. Africa gateways

BY TONY HAWKINS IN SALISBURY

EXPORTERS IN Zimbabwe have been told to diversify traffic away from Durban in South Africa, one of their main outlets on to the world's markets.

The instruction from Zimbabwe Railways, made against a background of already inadequate rail capacity, is the second shock to the exporters in a week. It follows the decision by South Africa to terminate a preferential trade agreement of 16 years standing.

Zimbabwe Railways said there will be extreme difficulties on the Durban line, owing to engineering works aimed at increasing capacity. Traffic will presumably have to be diverted to Port Elizabeth.

The Mozambique port of Maputo is an obvious alternative, but it is unable to handle more than a small proportion of the traffic which will have to be diverted.

The dilemma of exporters is increased by two factors. First, a substantial number of Zimbabwean and South African wagons are already held up in Zambia and Zaire. Second, Zimbabwe faces in any case a transport crisis because of the need to move, internally and externally its largest maize crop in history.

Exporters are coming to terms with the termination in a year's time of the trade agreement with South Africa, which absorbs just under 20 per cent of Zimbabwe's non-gold exports. They will now have to climb a tariff wall instead of selling goods on preferential or duty-free terms.

Political observers do not accept the claim of the Confederation of Zimbabwean Industries that the South African decision has not political significance. Mr. Robert Mugabe, the Prime Minister, has spoken out strongly against South Africa and the Government has come out in favour of economic sanctions although not in a position to impose sanctions itself.

Peugeot moves to strengthen N. Africa sales

By Terry Dodsworth in Paris

PEUGEOT has signed a new joint manufacturing agreement with the Tunisian Economics Ministry in a move aimed at strengthening the French motor industry's position in North Africa.

Details of the agreement have still to be worked out, but it foresees, in particular, an expansion of the assembly of Peugeot vehicles, along with an increase in the level of local integration.

At present, Peugeot, along with its sister company, Citroen, assembles about 7,000 cars and light commercial vehicles a year in Tunisia, out of a total national production of 11,000 units.

Local content in these vehicles is expected to increase to about 30 per cent from about 12 per cent at present, according to the agreement.

In addition, the two companies are studying a project to develop a manufacturing facility for advanced technology components in Tunisia.

Peugeot has been in Tunisia for about 50 years, and accounts for about half the 160,000 cars and commercial vehicles operating in the country.

Chinese ports hit by serious congestion

BY TONY WALKER IN PEKING

CONGESTION at Chinese ports is causing serious delays and has provoked at least one Japanese shipping company into adding a surcharge to freight carried to China.

The position is generally "very serious indeed," said a foreign shipping agent based in Peking.

The shortage of port capacity is a brake on China's attempts to increase trade. Movement of goods inside China is also slow because of congestion on railways and inadequate road transport.

A recent meeting of trade officials in Peking, representing Organisation of Economic Co-operation and Development (OECD) member countries, reported delays of up to three months were being experienced at China's busiest ports.

The most serious delays appear to be at Shanghai and Tianjin, though problems of congestion are also severe at Dalian, Qingdao and Canton, and the OECD meeting estimated that as many as 350 ships were waiting to enter port up and down the coast of China.

In Shanghai recently this correspondent was told of a Greek freighter which had been forced to wait three months before it was able to enter port to unload.

The strong growth in China's foreign trade over the past several years aggravated an already tight situation at the country's ports.

A recent World Bank delegation visiting China concluded that increased port capacity should be given top priority in loans made to the Chinese Government.

Even the present economic slowdown is not expected to ease the position, as China is maintaining imports of commodities while boosting exports of textiles and light industrial items.

Lloyd's List reports that China spent about $740m (£327m) on 68 vessels last year. China disclosed earlier this year that it had about 400 vessels in its merchant fleet with a total cargo capacity of more than 7m tonnes. The increase in the size of the fleet can only add to the congestion.

Banks sign $230m credit for Airbus purchase

BY LYNTON McLAIN

A $230m (£101m) export credit was signed in London yesterday by a group of banks led by Midland Bank International to enable Eastern Airlines of the U.S. to buy the nine extra A-300 Airbus airliners which it confirmed last week it intended to purchase for a total price of $335m.

The nine had been options on an overall order package of 34 aircraft, of which 25 had been paid for and 19 already delivered.

The credit was arranged by the Midland, by Credit Lyonnais of France in conjunction with the Banque Francaise du Commerce Exterieur and by Dresdner Bank in conjunction with the Kreditanstalt fur Wiederaufbau of Germany.

At the same time, Eastern Airlines took out an option for another 26 A-300 aircraft.

The financing for the latest order is to be supported by the Export Credits Guarantee Department, COFACE and Hermes, the export credit agencies of France and Germany. The credit provides 70 per cent of the total contract price for the airliners.

● Dan-Air is to offer two return tickets for the price of one on its new West Berlin to Amsterdam scheduled air service which starts today. The new service will be the first by a British airline out of Berlin for several years, the airline said yesterday. The fare offer is to last one month and tickets will be valid until May 31.

BP seeks 4p rise in petrol price

By Sue Cameron

BP OIL wants to put up the price of its petrol by a further 4p, taking the average prices at the pumps to about 159p for a gallon of four-star. The company said yesterday that it needed the increase to break eve non UK refining operations.

Last week BP Oil, which had a current cost-accounting loss of £73m in 1980, increased pump prices by 4p a gallon. The 4p rise was the result of a 1.7p-a-gallon increase in BP's schedule price, plus a cut in the price support the company gives dealers.

Yesterday BP Oil disclosed tht it was still spending the equivalent of £35m a year on price support for retailers. This is an average of between 3p and 4p a gallon.

The company expects inland consumption of oil products this year to be some 65m tonnes, well down on 71.1m tonnes last year and 84.6m tonnes in 1979.

Though BP Oil desperately needs further increases in pump petrol prices, the company admitted that it did not know when it could push them through, or even whether the market would bear a further rise.

Private sector to be allowed to maintain telephone switchboards

BY ELINOR GOODMAN

THE Government is to allow private companies to take on maintenance of telephone switchboards. It has bowed to pressure from telephone equipment manufacturers and Tory backbenchers to relax the monopoly of British Telecommunications over the maintenance of certain private exchanges.

Mr. Kenneth Baker, the Industry Minister responsible for information technology, announced last night that the Government had decided that private companies should be allowed to compete for the maintenance of the newer type of computer-controlled digital private exchanges.

This, he said, would allow development of this equipment to be "unhindered by what has repeatedly been represented as the inhibiting effect of the current British Telecommunications monopoly."

The move was welcomed last night by the Telecommunications Managers' Association as a "step in the right direction."

The British Telecommunications Bill, at report stage in the Commons today, allows private companies to instal PABXs. But until last night's announcement British Telecommunications was being allowed to keep its hold on maintenance.

Private manufacturers have been lobbying hard to get the Bill extended to cover maintenance. Their case has been taken up by 170 Tory MPs who have signed a Commons motion urging the Government to relax British Telecommunications' monopoly.

Mr. Baker, in his written Commons answer, said provision for the private maintenance of digital-stored programme control PABXs would be included in the licensing arrangements which would be introduced after the British Telecommunications Bill was on the Statute Book.

Industry criticised on overseas effort

BY MAURICE SAMUELSON

IN SPITE of winning a £550m Hong Kong power station contract this week, British industry is hamstrung in its efforts to win big overseas development orders by weak salesmanship and insufficient backing from Government and banks, members of the UK energy equipment industry were told yesterday.

Members of CBMPE, the industry's trade association, say they are alarmed at the number of major Middle East contracts for refineries and petrochemical complexes being lost to other countries.

They fear this trend could continue in spite of the GEC led consortium winning the 2,640 megawatt power station contract in Hong Kong.

Harsh criticism of British marketing techniques came from Mr. Reg Unsworth, sales chief of the U.S.-based Orbit Valves. He said that on a recent tour of Saudi Arabia, he received complaints that British salesmen were paying the country scant attention, and expected "instant sales."

De-stocking aids erosion of industry debt

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRY almost eliminated its financial deficit by the end of last year as a result of the big cut in stock levels.

Central Statistical Office figures published yesterday on national income and expenditure last year provide a portrait of how the recession has affected the UK economy.

In particular, the statistics show both how industry reacted to the pressures by cutting in order to safeguard its financial position and how rapid wage rises and the strong pound helped to boost average living standards.

Details which emerge are that:

● There was almost no change in gross trading profits of industrial and commercial companies, before deducting stock appreciation, last year compared with 1979.

The slowing inflation rate resulted in a big fall in stock appreciation so that trading profits net of this item rose by 7½ per cent.

Nevertheless, excluding North Sea oil, profits net of stock appreciation dropped about 4½ per cent between 1979 and 1980 to £15.4bn and by 10 per cent between the first and second halves of 1980 (though they were virtually unchanged at £3.65bn in the third and fourth quarters).

● Profits of companies engaged in North Sea oil and gas production rose about 50 per cent to £7.05bn (net of stock appreciation) between 1979 and 1980. This was largely because of a rise in the oil price, as output only rose 2 per cent.

● Industrial and commercial companies raised their interest payments (largely to banks) by more than £2bn, or 30 per cent, between 1979 and 1980. UK taxes on income rose by more than 40 per cent, largely reflecting higher payments of Petroleum Revenue Tax by oil companies.

● The undistributed income of industrial and commercial companies dropped more than £4bn last year to £13.2bn. But their gross capital formation (fixed investment and the change in book value of stocks and work in progress) fell by £5.7bn to £16.4bn, largely reflecting the heavy de-stocking.

The result was that the financial deficit (the money which needs to be raised from other parts of the economy, mainly bank borrowings) dropped from £4.39bn in 1979 to £2.77bn in 1980. In the fourth quarter the deficit was £54m compared with £1.07bn the previous three months.

● The personal sector remained in a strong financial position. Its surplus rose from £11.6bn in 1979 to £16.6bn in 1980, though these movements were largely offset by changes in the current account of the balance of payments and in the public sector deficit.

● Average living standards, as measured by real personal disposable income, rose by 0.2 per cent between the third and fourth quarters for a 2.1 per cent rise in 1980 compared with 1979. This followed a 15 per cent increase between 1977 and 1979.

● The volume of consumer spending rose by ½ per cent last year compared with 1979. The main features were a 13 per cent drop in expenditure on cars and motor cycles, and a 4 per cent decline in spending on beer, wines and spirits.

● The average of the three ways of measuring Gross Domestic Product was confirmed to have dropped 2 per cent between 1979 and 1980.

Laker loses Gulf rights after threat of blacklist

Financial Times Reporter

THE SHARJAH airport authority in the United Arab Emirates has withdrawn traffic rights awarded to Laker Airways following reports that the airline may be blacklisted by the Arab-run Israeli Boycott Office.

The Civil Aviation Authority in London is currently hearing a Laker application for traffic rights to Sharjah. Sir Freddie Laker, the airline's chairman, is again facing objections from British Airways and British Caledonian, which fly to Dubai, 30 minutes drive away by car.

The threat of blacklisting from the boycott office in Damascus, Syria, follows the circulation within the Emirates of a photograph showing Sir Freddie at the Wailing Wall in Jerusalem.

Laker was proposing to bring cheap air fares to the Gulf area. For years, residents and companies in the region have complained that flights to London are among the dearest in the world.

Glasgow fare deal

BRITISH RAIL is to introduce a £10 second class single ticket from Glasgow to Euston, London, on seven Fridays in April and May to test demand. The standard fare is £28.

School fees offer

A SCHEME to enable UK expatriates to pay for their children's education in the UK without incurring a tax liability has been launched by the School Fees Insurance Agency a leading school fee planning specialist. Royal Trust Bank (Isle of Man) will purchase annuity contracts to meet the fees.

Abbey race probe

THE COMMISSION for Racial Equality is to investigate the staff recruitment policy of Abbey National Building Society following an alleged instance of discrimination.

Dearer pay beds

PRIVATE patients using National Health Service hospitals will have to pay an average 15.5 per cent more for their pay beds from today.

Science park plan

THE CARROLL group based at Brentwood, Essex, is to develop a 100-acre high technology science park at Bournemouth's Hurn airport for Dorset County Council. The £130m development, over 10 to 15 years, could eventually provide up to 4,000 jobs.

Beer for students

THE National Union of Students has signed discount agreements with four major brewers which will secure savings of about £1.5m for 730 local student unions. Allied, Courage, Grand Metropolitan and Scottish & Newcastle will offer between 5 and 20 per cent.

Mobility under way

THE Government national mobility scheme to help tenants in England and Wales to move to areas where work is more easily available comes into operation today. Local authorities will set aside a number of homes a year.

Buy British drive

Debenhams department stores group is planning a major campaign to boost sales of British-made merchandise in it 69 UK stores by £100m a year. It and some 200 suppliers are to spend about £2m promoting the campaign.

Worldly goods...

THE ROYAL wedding would be worth at least £200m to Britain's economy, estimates Mr. Michael Montague, chairman of the English Tourist Board.

European steel prices need to rise 10-15%, says MacGregor

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

EUROPEAN STEEL prices need to rise by at least 10-15 per cent if they are to come into line with the levels in the U.S. and Japan, Mr. Ian MacGregor, chairman of the British Steel Corporation, said in London yesterday.

He forecast that the present talks between European producers, and the EEC, would produce a workable solution on production levels.

"I believe the industry is now looking over the edge of the precipice, and sees nothing but disaster unless something is done.

"It is safe to predict that the economic pressures on the industry and the Governments involved are so great that within the next month or so there will be some form of arrangement worked out, and as a result there will be a system which will contain steel production much more closely within the requirements of the market.

"This will also enable prices to be restored."

Mr. MacGregor told the Foreign Press Association that he hoped to see an improvement in BSC's finances by the third quarter of this year, leading BSC "out of its unprofitable period some time in the calendar year 1982."

Though BSC has forecast that it would break even in its financial year 1982-83, after forecast losses of £660m in 1980-81 and a smaller loss in the financial year beginning today, there have been fears that strength of recession forces might delay the recovery programme.

Mr. MacGregor told foreign journalists that now was a good time to start thinking that buds are forming on the trees.

De-stocking of steel by customers seemed to be coming to and end, and BSC, after months in which steel purchases had run well below consumption levels, was supplying steel at about the same level.

He described the job done by BSC in curtailing its capacity as "exemplary," and praised the workforce for its realism.

He warned that the British steel industry would have to correct the level of its capacity far in excess of that required by its domestic market.

Windscale name to be abandoned

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH NUCLEAR Fuels is to abandon the name Windscale for its production site in Cumbria, where a £2bn investment programme is under way.

The former Ministry of Supply shell filling factory, converted into one of the first nuclear factories son after the Second World War, is to revert to its local name of Sellafield.

The company yesterday announced a reorganisation of its reprocessing division "to take account of the growing scale and diversity of operations, and the planned developments over the next decade."

Sellafield will embrace the Windscale reprocessing factory and the adjoining Calder Hall nuclear power station, originally built as a source of nuclear explosive for the Ministry of Defence.

British Nuclear Fuels announced yesterday that Mr. Roy Pilling, managing director and general manager of Windscale since 1977, is joining the board as director of operations, reprocessing division.

Mr. Jack Tatlock, director of the reprocessing division, is to become assistant managing director with specific responsibility for reprocessing, as well as a general brief for engineering.

The general manager of the Windscale works will be Mr. John Doran, deputy general manager since 1977.

Mr. Doran's responsibilities include construction of the thermal oxide reprocessing plant, the reprocessing project which won approval from the Windscale public inquiry in 1977.

The reorganisation precedes publication of a report on the management of safety at Windscale, from the Nuclear Installations Inspectorate, expected next week.

On Friday, the UK Atomic Energy Authority will formally shut the Windscale advanced gas-cooled reactor, the 33 MW prototype AGR. This reactor's pear-shape steel pressure vessel has become one of the most familiar symbols of Windscale even though it has nothing to do directly with BNFL's reprocessing activities at the factory.

The reactor, which has been operated since 1963, is planned to become a test-bed for the first British experiment in dismantling a sizeable nuclear reactor.

Power station boiler work finally placed

BY MARTIN DICKSON, ENERGY CORRESPONDENT

CONTRACTS WORTH about £300m for the boilers and circulators at Britain's two latest nuclear power stations have been issued by the National Nuclear Corporation—after a delay of four months.

The contracts for the boilers at the two advanced gas-cooled reactor stations—Heyshaw B in Lancashire and Torness in Scotland—have gone to Newcastle-based Northern Engineering Industries, with 20 per cent of the work subcontracted to Babcock Power. The orders are worth about £100m each.

The contracts for the circulators, worth about £35m at each station, have gone to the Glasgow-based Howden Group.

The contracts had been delayed from late last year because the NNC and the Central Electricity Generating Board had been unable to agree on the role the nuclear corporation should take during construction of the Heysham station.

The CEGB objected to plans for the NNC to be the main contractor for the station's nuclear components on the grounds that the corporation's small capitalisation—just £10m—meant the CEGB might not be able to get adequate legal compensation if a sub-contractor failed to perform his work adequately.

The NNC and the CEGB have agreed in principle to solve the issue by the nuclear corporation acting as the agent of the CEGB in any contract. The two have not been able to agree yet on the precise terms, but an interim formula has allowed the NNC to place the last major contracts for Heysham and Torness.

Contracts for the stations' major non-nuclear items of equipment were placed by the CEGB and the South of Scotland Electricity Board last December. GEC is building the turbo-generators for Torness and C. A. Parsons, an NEI subsidiary, is making the Heysham generators.

The boiler orders will provide the bulk of the work for three years at NEI Power Engineering's Gateshead factory, which might need to expand its 1,200 strong workforce by about 200 at the height of construction.

'Loanbacks' on pensions attacked

By Eric Short

"LOANBACK" facilities granted by life companies on self-employed pension contracts were attacked yesterday by Mr. William Stewart, marketing manager of Scottish Life Assurance, as being dangerous to the life company and detrimental to the self-employed.

A loanback facility is a device adopted by certain life companies to allow the self-employed access to his pension assets, which would otherwise be untouchable until retirement.

Under this scheme, the life company makes a loan available to a self-employed person up to the value of the pension assets but uses some other asset as collateral. The loan then becomes an asset of the pension contract and need not be repaid until the person retires, using the taxfree cash su mavailable to make the repayment.

Mr. Stewart said that the self-employed under these arrangements received a much lower return on their pension plan in taking the loan and this would seriously cut the ultimate value of the pension, in some cases by nearly half.

Strong demand for Impressionists

SALEROOM

BY ANTONY THORNCROFT

CHRISTIE'S, after its success on Monday night when some fairly routine Impressionist paintings sold for a surprising £3,234,100, disposed of lesser works yesterday morning for £224,925, with just 9 per cent bought in.

Top prices were £17,500 for Trois Baigneuses by Theo van Rysselberghe and £15,000 for a signed Rodin bronze of Le Baiser.

On Monday night Christie's established an auction record price of £820,000 for a Renoir—his 1896 nude Baigneuse debout, a typical Renoir. Neville Keating, the London dealer, paid £360,000 for Gauguin's Nature morte aux cerises, while a more unusual Renoir, Le jeune garcon au chat, realised £230,000.

There was also a record auction price of £140,000 for a de Vlaminck, Les barques. All lots carry an extra 11.5 per cent in buyer's premium and VAT.

As well as the strength of demand for Impressionist and modern paintings, Christie's revealed interest in the Surrealist. The 28 works in the Edward James collection sold for a total of £1,175,700.

Iolas, the New York dealer, paid an artist's record price of £360,000 for a Salvador Dali—Le sommeil. This 1937 painting also secured a record for a work by a living artist. Two other Dalis made £170,000 and £145,000.

Yesterday afternoon at Christie's a Cezanne watercolour, Le chêne, sold for £55,000. A pastel by Odilon Redon, Femme voilee, made £47,000.

Guy de Jonquieres on a leading manufacturer's prospects

There's nothing terminal about Ansafone

YESTERDAY'S SALE of Ansafone by Lord Grade's Associated Communications (ACC) comes as the telephone-equipment market which the smaller company served for almost 20 years is about to be plunged into radical change, due to the planned relaxation of the Post Office's telecommunications monopoly.

But Mr. John Evans, Ansafone's managing director and one of the nine senior executives taking a stake in the company, is excited about the prospects.

"We are lean and hungry," he said yesterday. "Deregulation of telecommunications will provide a super opportunity to develop new products."

Ansafone has grown up, of course, under the umbrella of the Post Office monopoly. The monopoly helped it to become the leading British manufacturer of telephone-answering machines, accounting for about 45 per cent of the UK market.

Its products range from fairly basic machines which one rented for about £2 a week to sophisticated systems for which weekly rental can be up to £40. It has concentrated on the business market. Its bigger customers include British Airways, Laker Airlines and British Rail.

Ansafone acquired a reputation for good quality products and service. Most of its range is manufactured at its factory in Camberley, Surrey, and is backed by a nationwide sales force of 100 and a team of 170 service engineers.

About two years ago the Post Office adopted a more liberal approval policy for telephone-answering devices. This opened the market to other suppliers, mainly of smaller machines.

Ansafone, with its strong position at the top end of the market, has not been significantly affected. But competition is likely to grow stiffer once the legislation curbing the Post Office's monopoly takes effect later this year.

Mr. Evans is confident Ansafone can meet the challenge by broadening its range to include new and sophisticated products. It has developed a new range of telephone terminals, embodying features like automatic dialling, which it hopes to market soon. The terminals are based on designs by Northern Telecom, the Canadian telecommunications manufacturer, which will make them at a plant in Ireland.

Ansafone recently branched out into the market for business viewdata systems. These provide low-cost computerised information and communications using a television-like terminal.

The company's subsidiary, Viewdata Business Systems, set up last November, has won a £2m order to supply 2,000 terminals to BL. BL will use them to keep track of its dealers' stocks.

Ansafone was founded in 1953. ACC acquired control 10 years later. In its last financial year, ended March 31, 1980, Ansafone reported a £1.5m pre-tax profit on a turnover of £11.5m.

A new management team, led by Mr. Evans, was drafted in early in 1978. It axed all Ansafone's foreign operations except a subsidiary in Italy.

Mr. Evans, formerly a marketing executive with International Business Machines, blames the failure of the company's plans on inadequate development of new products and on poor marketing.

As the man who masterminded its recovery three years ago he can be counted on presumably to ensure that its current programme for diversification is much more carefully prepared.

Government to boost high technology investment

BY ELAINE WILLIAMS

A SCHEME to increase the number of investments by financial institutions in high technology projects has been launched by the Department of Industry in partnership with 16 banks and insurance companies.

The Department will advise the institutions on which projects would be viable, based on inquiries made under its Microprocessor Applications Project.

This is in line with Government policy of building partnerships between the public and private sectors to increase investment in high technology businesses and other small enterprises.

The 16 institutions involved Barclays Bank; Brown Shipley Developments; Capital for Industry; Castle Finance, port of Norwich Union; Charterhouse Development; Commercial Bank of Wales; County Bank; Hill Samuel; Lazard Brothers; Lloyds Bank; Midland Bank; National Research Development Council; National Westminster Bank; Royal Bank of Scotland; Royal London Mutual Insurance Society; and Industrial and *Commercial Finance Corporation*.

The institutions hope the scheme will cut the risks involved in investing in high technology. The Department said the assessment would give "reassurance as to the soundness" of a particular project.

Sir Keith Joseph, the Industry Secretary, has tried for some time to persuade City institutions to invest more in high technology. He has met entrepreneurs and finance houses to discuss ways of increasing risk investment.

Barclays and other banks said yesterday that a favourable report from the Department would not automatically make a company eligible for a loan. County Bank said the Department might have to approach an average of five institutions on behalf of a particular company before finance was arranged.

Hill Samuel said that it would be most likely to provide funding where total projects costs exceeded £250,000, mainly when *established companies wished to* introduce microelectronics to modernise their businesses. It was not interested in new or relatively young companies.

Announcing the scheme yesterday Mr. Ken Baker, Minister of State for Industry, said that the project's finance *sometimes accounted for up to* 25 per cent of development costs. These could now? be supplemented by the institutions.

He said that about 30 projects out of more than 400 financed by the department had run into difficulties through lack of such finance.

Since the scheme started the Government has committed £28m to industry for various microelectronics projects.

Mr. Baker said that this year the Department had already committed a further £20m and received 28 applications a *month* for funding by the project.

GM seeks 10½% of car sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS expects to add about 1½ per cent a year to its 9 per cent share of the British new car market by combining the Vauxhall and Opel dealer and wholesale organisations.

But the arrangement, formally announced yesterday, is widely expected to lead to the Vauxhall name being dropped from GM cars.

Since GM reorganised its European production six years ago Opel of West Germany has been responsible for the car operations and now only the Chevette is unique to theVauxhall range. All other Vauxhall and Opel cars are nearly identical—the Vauxhall Astra matching the Opel Kadette, the Opel Ascona being badged as the Vauxhall Cavalier, and so on.

Dealers will decide the mix of cars that suits their locality, but GM will expect them to take a minimum percentage, perhaps 20 per cent, of the "second" marque.

Vauxhall said yesterday: "There is no intention at this stage of dropping the Vauxhall name." The fact that it did not deny the name would go eventually may be significant.

However, GM has first to combine the two networks — 579 Vauxhall dealers and 224 selling Opels. Dealers can apply immediately for the dual franchise and GM expects most to do so. The arrangements will be formalised when new five-year agreements are *signed* by all dealers in January.

GM gave a hint yesterday that it might be willing to help dealers financially because the extra burden, particularly for some of the smaller Opel franchises, could be difficult to bear. Dealers will not necessarily be *expected to increase their* investment.

GM claims the new arrangements will give it improved geographical coverage for both ranges. There are 77 areas where only one marque is represented. This would help boost the GM market share in *the UK where last year* Vauxhall sold 109,219 cars for a 7.2 per cent penetration and Opel registered 22,870 for a 1.51 per cent market share.

GM has centralised its car marketing organisation in the UK by setting up Vauxhall-Opel Passenger Car Marketing with its headquarters at Vauxhall's Luton plant.

It will be headed by Mr. John Bagshaw, an Australian who has been with GM for 33 years and was director of sales for General Motors-Holdens in Australia before moving to GM's Detroit headquarters where *he* was western area sales manager, with the Pontiac division.

He joins the Board of Vauxhall as director of marketing, pasenger cars.

Among other Vauxhall board changes announced yesterday, Mr. Geoffrey Moore retires as chairman after 48 years with the company. He remains a non-executive director.

Mr. Ferdinand Beickler, the German from Opel who joined Vauxhall as president in June 1979, will become chairman and managing director.

Mr. Des Savage moves back to Bedford Trucks where he once more takes over as director of marketing, a post he held three years ago before becoming Vauxhall's director of car marketing.

Food prices forecast to rise by about 7.8%

By David Churchill, Consumer Affairs Correspondent

PROCESSED-FOOD prices in the shops are expected to stay below the general inflation rate in the next six months, the Food Manufacturers' Federation said in London yesterday.

The forecast was made by Mr. James Cleminson, the federation's president, at its annual conference.

According to the federation's analysts food prices were likely to rise by about 7.8 per cent in the next six months, compared with an inflation rate of 8.6 per cent.

Mr. John Biffen, Trade Secretary, earlier told the *conference that food prices* in Britain had not been a leading inflationary factor in the overall movement of prices for some time.

"Last year, when the Retail Price Index rose by just over 15 per cent, the Food Price Index rose by only 9.5 per cent," he said.

However, Mr. Biffen acknowledged that "this will provide little consolation to the members of this federation who are attempting to rebuild their profit levels, though it is perhaps worth remarking that this industry has suffered less from the recession than many others in terms of relative falls in output."

The theme of yesterday's conference was the "Big Squeeze" on food-manufacturers. Mr. Cleminson said profit margins last year were lower than the low margins of 1979.

He said the most recent figures for the industry's profitability showed a cost profit of just more than 4 per cent of sales. This meant in real terms a profit only of 1.67 per cent.

Mr. Cleminson expressed concern for the loss of jobs in the food-manufacturing industry. These had totalled about 32,000 in the past year.

Although Britain's food manufacturers had been able to increase their share of the domestic market over the past two years, Mr. Cleminson said growth prospects were overseas, especially in Europe.

The federation was mounting a campaign to boost British food exports to Europe. It had chosen The Netherlands as an immediate target.

Rhys David isolates three reasons for cheer in a hard-hit industry

Strands of textile prosperity found

LEADERS of the Brtish textile industry, in spite of its serious difficulties in the past year, were in surprisingly cheerful mood when they met in Harrogate last week.

The depressing statistics of *decline last year—the closure* of 200 mills, the loss of 110,000 jobs and a fall in output of about one fifth—were indeed recited, notably in the opening remarks made by Mr. Leonard Regan, president of the British Textile Confederation.

Predictably the conference, *on textiles* in the 1980s, produced several attacks on the effectiveness of the existing textile import control regime. There were also calls for a strengthening of the next round of the General Agreement on Tariffs and Trade multi-fibre arrangement, due to be negotiated later this year.

It was surprising, however, that Mr. Cecil Parkinson, the Minister for Trade, was extremely well received during a speech in which he explained and defended without apology the Government's record on textile issues.

Only a few weeks ago Mr. Parkinson was heckled when delivering a similar text to a Textile Trade Association dinner in Manchester.

This change of atmosphere in the textile industry has been brought about by three main causes.

First, though Mr. Regan stressed—as has the CBI—that there were few signs yet of recovery, there is a feeling that the worst in terms of de-stocking, dismissals and capacity reductions may be over.

Because fewer redundancies are expected this year, one significant call on the industry's resources is likely to be reduced.

Second, the industry appears to have come to terms with the fact that import controls are not likely to be widened to any significant extent.

Mr. Parkinson did indicate his general support for one of *the industry's principal* demands—a recession clause which would tie import quotas to market growth—but he also stressed the difficulty of negotiating and technically organising such a mechanism.

He has been trying for most of the last year to persuade the industry that extensive controls on textile imports are being operated, that every effort is being made to eliminate weaknesses in the system and that there are limitations, which make it very difficult to take these restrictions much further.

The *Government*, Mr. Parkinson told the conference, was not the slave to free trade which the textile industry often depicted it to be. There were 570 quotas on textiles and clothing and the list grew by an average of one every two weeks.

Third, the industry has increasingly begun to realise that in spite of low priced imports there remain products which UK manufacturers could be making but are not.

Mr. Barry Reed, chairman of Austin Reed, said his company would much prefer to reduce its imported merchandise from 30-40 per cent of turnover to no more than 10 per cent. He gave a list of items, some costing up to £200, which were currently being purchased from Finland, Italy, Germany and Sweden.

The last speaker, Mr. Brian McMeekin of Pretty Polly, provided an example of just how the battle against imports can be fought and won even in a commodity sector such as women's tights. In 1974 the sector was troubled by serious overcapacity, sales declined as jeans replaced skirts and cheap unbranded supermarket lines grew. There was also a prospect of an invasion of imports from Italy, already the dominant supplier across Europe.

Seven years later, largely as a result of a brilliant marketing strategy—including a series of posters familiar to all London Underground travellers — the imported share has been held at under 10 per cent, branded tights generally have increased their share of the market, retailers and manufacturers are working on better margins and Pretty Polly has been earning good profits.

Not all textile and clothing sectors can hope to follow a similar path. There are certain also to be further casualties in UK textiles this year and in succeeding years. The conference at Harrogate nevertheless seems to have offered a glimpse of what could be the way ahead—and evidence that some have already seen it.

Wimbledon name to sell sports wear in U.S.

BY RHYS DAVID

A RANGE of tennis and other leisure clothing *licensed by the* All England Club to carry the Wimbledon name is to be marketed in the U.S. by the British wool textile group, Illingworth Morris.

A similar deal giving Illingworth the right to market Wimbledon brand clothing in the UK is expected to be signed shortly.

The products to be launched in the U.S. at the end of April consist of sports shirts, shorts, slacks and skirts and will figure at the top end of the price range. The goods will be made for Illingworth in Hong Kong.

At a later stage other garments, including blazers, will *be added, using* UK manufacturing resources. Illingworth will supply garment manufacturers with wool and wool blend cloths for some of the items.

The two deals have been the subject of prolonged negotiation between Mr. Tom Yeardye, an American director of Illingworth, and *the tennis promoter* Mr. Mark McCormack, who has been acting as agent for the Wimbledon authority.

Mr. McCormack's business, International Management, already handles the affairs of a number of leading world tennis stars and television personalities.

Ownership of Illingworth, which is expected to double its half year loss of £1.5m in the year to the end of March, is mainly in the hands of Mrs. Pamela Mason, an American businesswoman and show business personality. She inherited the largest block of shares on the death of her *father* and uncle, Isidore and Maurice Ostrer six years ago.

Mrs. Mason and her U.S. associates on the board have backed a policy of cutting loss-making UK textile activity and of seeking partners for new ventures particularly in the U.S. Last May the group purchased the New York fashion house Leon Block which includes Mrs. Nancy Reagan *among its* customers.

Under the terms of the U.S. deal Illingworth will pay a royalty on sales of sports wear with a minimum fall back payment to the Wimbledon authority of $500,000 (£221,000) over five years.

Sales in the first year of at least $1.5m are anticipated with higher turnover developing in subsequent years as the range is expanded.

Participation in tennis has been growing rapidly in the U.S. and has created a boom in demand for sports clothing

Leading diamond tool makers to merge on one site

TWO LEADERS in diamond tool manufacture in the UK—L. M. Van Moppes and Sons Diamond Tools and Impregnated Diamond Products (IDP)—are to merge. From May 1 they will trade under the name Van Moppes -IDP, writes **James McDonald.**

The move largely formalises an existing situation. Both companies are subsidiaries of Unicorn Industries, a member of the Foseco Minsep group, and *have been sharing marketing* and sales resources. They have jointly funded research and development laboratories at Gloucester.

The merger means the closure of L. M. Van Moppes' works in Basingstoke. M. Van Moppes will join IDP at its Gloucester site. T he joint workforce will *total 270—40 fewer than at the* two separate sites.

The move became possible because another Unicorn company, Drilling and Service UK, which had shared the Gloucester site with IDP, has moved to a larger factory at nearby Stonehouse.

"Something approaching 60 per cent of our 5,000 major UK and export customers are common to both companies," Mr. Terry Peterson, executive chairman of Unicorn's diamond products group, said in London

UK NEWS – PARLIAMENT and POLITICS

A ticking off for the ghost of Christmas past

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

CONSERVATIVE backbenchers in the Commons yesterday seemed to be in the mood for those "classical economics" which Mrs. Thatcher so warmly advocated to a meeting of the party faithful in Cardiff over the weekend.

Mr. Patrick Jenkin, Social Services Secretary, found himself fighting off suggestions from Tory MPs that family allowances should be subject to tax or some form of means testing.

His colleague Sir George Young, Under-Secretary for Health, had to rebuff a rather daft suggestion from Dr. Brian Mawhinney (C., Peterborough), that patients who bring on their own ill health by smoking or drinking should have to pay for their medical treatment.

At this point Mrs. Thatcher made her entry for Prime Minister's questions and soon found herself embroiled in a row over the TUC's refusal to attend today's meeting of the National Economic Development Council because it would mean crossing the Civil Service picket line (loud Labour cheers at this courageous moral stand).

In view of this Mrs. Thatcher announced that she would go ahead with the meeting without the trade union stalwarts (even louder Tory cheers at this bold decision). Not very convincingly, the Prime Minister regretted that the union leaders would be absent when important matters such as industrial pricing and regional issues were being discussed.

This brought an acrimonious intervention from Mr. Dennis Skinner (Lab., Bolsover) who seemed to think that the civil servants were a load of Bob Cratchits, "half of them earning less than the average wage, many of them below the poverty line."

He continued to rumble on about "this tawdry rotten Government" as Mrs. Thatcher tried to reply. Eventually, after Mr. Skinner had been given a sharp ticking off by Mr. George Thomas, the Speaker, for bad manners, the Prime Minister reminded the House that the civil servants had not done so badly with their 50 per cent wage rise over the past two years and the 7 per cent now on offer.

Another Left-winger, Mr. Sydney Bidwell (Southall), joined in the Thatcher-baiting and suggested it was a waste of time trade union leaders seeing her as the role seemed to be that they should be seen and not heard. The Prime Minister's reply to this sally could have come straight out of Private Eye's "Dear Bill" column in which Denis makes frequent references to the visits of the trade union "dirty socks" brigade to No. 10.

"Absolute nonsense," the Prime Minister told Mr. Bidwell. "When I take the chair at the NEDC of course the trade unions are vocal. But when they come to me 40 of them together the difficulty is to persuade about 37 of them to say anything at all."

This was followed by a duel with Mr. Michael Foot, the Opposition leader, who, in his eagerness to lay the ugly rumours that he is an economic duffer, recently assured us that even as an undergraduate he could tell the difference between John Maynard Keynes and Professor Hayek.

Challenged to produce evidence for her forecasts that the recession is bottoming out, Mrs. Thatcher claimed to detect some promising signs from reports of the National Institute of Economic and Social Research, the London Business School, stockbrokers Phillips and Drew and the Central Statistical Office. She thought they suggest either a levelling out by the spring or an upturn.

It was left to Mr. Anthony Kershaw (C., Stroud) to raise the awkward question of the 364 university economists who issued a statement over the weekend condemning the Government's economic strategy. He advised her to take no notice of their opinions

Loftily, Mrs. Thatcher replied: "I rather thought that those 364 did themselves more damage than anyone else."

The Prime Minister can always find solace in the story of the Cambridge professor who was discovered feeding the previous year's questions to students about to sit their economics exam. Airily dismissing the protests of his colleagues, he declared: "It doesn't matter. In economics the questions always remain the same. It's only the answers that change."

SDP will not try to go it alone, says Jenkins

BY MARGARET VAN HATTEM, LOBBY STAFF

MR. ROY JENKINS, one of the leaders of the newly founded Social Democratic Party, last night sought to reassure Liberals that the new party is looking for a "partnership of principle" with them and will not try to go it alone.

Speaking at a Gladstone Club dinner, Mr. Jenkins said: "If we fail to work together in a partnership of mutual respect and trust, we shall throw away an opportunity which will not come again in this generation.

"You could preserve your ancient purity and we could enjoy our exciting novelty but the old two party monopoly would survive—unloved, uncreative but almost unscarred—and both of us, and more important, Britain, would be the losers."

Mr. Jenkins did not, however, refer explicitly to the possibility of the Social Democrats agreeing to the joint declaration of broad policy aims for which the Liberals are pressing.

Mr. David Steel, Liberal leader, has insisted that such a declaration must be agreed within the next three months, to allow plenty of time for discussion at the grass roots level before it is put to the Liberal conference in the autumn.

The demand reflects widespread suspicion among Liberals—particularly in the wake of opinion polls showing the Social Democrats to be currently far ahead of their prospective Liberal partners—that the Social Democrats might go their own way if they thought they had a chance of winning alone.

These fears were expressed earlier in the week by Mr. Roger Pincham, the Gladstone Club chairman, who wrote in the club's newsletter: "The greatest danger facing the Liberal and Social Democratic parties is that either should imagine that real progress can be made without the other.

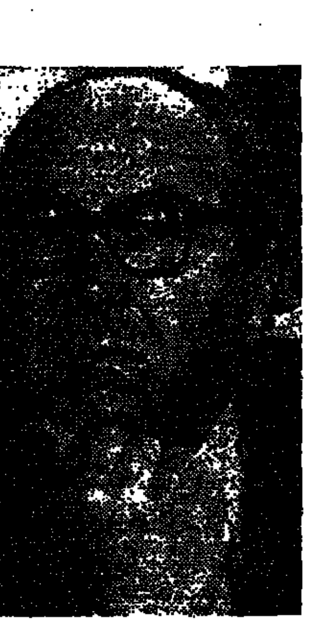
"In the case of the Social Democrats," he went on, "the euphoria of popular welcome can be heady stuff and we must try to forgive Dr. David Owen if, for a time, he dreams of sweeping the country all by himself. Equally we must be understanding if Dr. Owen and Mrs. Shirley Wiliams still go misty-eyed at the word 'socialism,' provided it is understood that the Liberal Party does not exist to advance any kind of socialism."

It is no secret that Mr. Jenkins, biographer of Asquith, is the Liberal's favourite Social Democrat and that in the highest echelons of the party they find him far easier to talk to than, for example, Dr. Owen.

Mr. Pincham underlined this, pointing out that "views within the Gladstone Club as to the compatibility of Liberalism and Social Democracy vary widely." and calling for wholehearted Liberal support for Mr. Jenkins should he contest a parliamentary by-election but not mentioning any other Social Democrats in this context.

The Social Democrats are still awaiting the announcement, expected on Thursday, of initial membership figures following last Thursday's launching and credit card recruitment drive.

A note of caution was sounded earlier in the week by Mr. Tom Ellis, Social Democratic MP for Wrexham, who said: "The Liberals are much stronger on the ground than we are and will almost certainly field more candidates in the next election than we do." However, party workers yesterday hastily pointed out that this was not official Social Democratic policy.



Jenkins: Social Democrats "are looking for a partnership of principle" with the Liberals

Heseltine to act on GLC housing stock

BY IVOR OWEN

COMPULSORY powers are to be used by the Government to end the rearguard action by eight Labour London Boroughs resisting attempts to make them responsible for 54,000 properties now managed by the Conservative controlled Greater London Council.

Mr. Michael Heseltine, Environment Secretary, announced in the Commons yesterday that he intends to make an Order under the London Government Act 1963 transferring the GLC's housing stock in the areas concerned.

The Order, which will become effective on April 1, 1982, will apply to the London Bouroughs of Brent, Camden, Hackney, Haringey, Hounslow, Lambeth, Lewisham and Waltham Forest.

Mr. Heseltine dismissed Opposition charges that he was indulging in a political manoeuvre deliberately timed to ensure that a Labour victory in next month's local government elections and a change of control at County Hall does not frustrate the transfer.

Stressing that the necessary statutory consultations had been carried out, he declared himself satisfied that it was right for the housing to be managed at borough level.

Heseltine: dismissed charges that he was indulging in a political manoeuvre

"I also believe," Mr. Heseltine stated, "that terms can be determined which will not only enable the stock to be assimilated smoothly but will also lead to more effective housing management in London."

The Order would take into account the views of the eight boroughs, and in particular would impose an obligation on the GLC to bring the property up to an acceptable standard over 10 years.

Mr. Heseltine argued that the needs for housing mobility in London had changed considerably.

The GLC's own mobility scheme for the transferred stock, together with the Inter-Borough Nomination Scheme—now to be part of the national mobility scheme—provided an adequate framework for meeting these needs without the necessity to retain the GLC as a housing management authority.

Mr. Heseltine also pointed out that the transfer, together with those taking place by agreement in other London boroughs, would largely fulfil the recommendations of the Herbert Commission in 1960 that, to the fullest possible extent, council housing in London should be owned and managed locally by the borough councils.

Mr. Ron Brown (Lab., Hackney and Shoreditch), claimed that Mr. Horace Cutler, Conservative leader of the GLC, wrote to the Minister in February asking him not to proceed with the transfer because of the cost factor which would amount to £1bn over 10 years.

Mr. Heseltine replied: "If Mr. Cutler should ask me to withdraw this compulsory Order I should of course be prepared to do so."

But he declined to give a similar assurance when asked by Mr. John Fraser (Lab., Norwood), what his attitude would be if such a request were made by a Labour leader if control of the GLC changed hands next month.

Mr. Heseltine emphasised that six out of the 14 Labour boroughs had already voluntarily agreed to the transfer of the GLC's housing stock in their areas.

If those six had been able to see the virtue of the proposal, he contended, it could not be as politically partisan as had been suggested from the Opposition benches.

Records system 'sound'

By Richard Evans, Lobby Editor

THE PRESENT system for selecting and maintaining modern public records has been found to be basically sound by a committee which sent its recommendations yesterday to Lord Hailsham, Lord Chancellor.

The major recommendation of the committee under the chairmanship of Sir Duncan Wilson, is that the present system based on the Public Records Act is capable of adaptation to changing needs and technology. But the committee suggests that existing policies should be pursued more vigorously.

Departments are encouraged to devote more time and effort to public records, and the report suggests strengthened machinery for policy guidance.

Lord Hailsham welcomed the report yesterday and invited comments to be submitted within the next three months.

Modern Public Records: Selection and Access. Report of a Committee appointed by the Lord Chancellor. SO £8.10p.

Plan to curb holiday home letting

A BILL to prevent houses being let as second or holiday homes without local authority approval was introduced to the Commons yesterday by Mr. Dafydd Wigley (Plaid Cymru, Caernarvon).

But it is unlikely to become law because of lack of Parliamentary time. Mr. Wigley said the holiday home problem affected parts of Wales severely, as had been seen by the 40 or 50 arson attacks on such homes in the past 15 months.

There were about 8,000 holiday homes in Wales, and in some villages they constituted 40 per cent of properties. They remained empty for large parts of the year while some local families were unable to get a roof over their head, Mr. Wigley told MPs.

He completely dissociated himself from the arson attacks: "I and my party can in no way condone such actions. We condemn violence in all forms and quite clearly the burning down of houses cannot solve the housing problem."

He said Parliament should not keep its head in the sand over holiday homes and said measures were "essential if we are to create a climate in which violence will not survive."

Mr. Wigley said the problem of second homes affected other parts of the country such as South-West England and the Lake District, and his Bill was backed by MPs of all parties.

The Bill would require someone wishing to convert a first home into a second or holiday home to apply for planning permission on the grounds that it was a "material chance of use" of the building.

Complacency charge rejected

BY RICHARD EVANS, LOBBY EDITOR

THE GOVERNMENT yesterday delivered a stinging rebuff to the all-party Commons Home Affairs Select Committee for complaining in a series of reports about Ministerial failures to implement its recommendations.

"The Government regrets the select committee's accusations of dilatoriness and complacency and considers them to be unfounded," the report declares.

At one point, the reply states bluntly that the committee's report appeared to be based on a misunderstanding of the position of the Government in these matters and of the role of officials. Such outspokeness is unusual in formal reports and will not please the Home Affairs committee.

But in its response, Ministers claim that the committee's reports refer frequently to "the Government" in a way that suggests the changes of government that have taken place over the past decade are not relevant to the issues under consideration.

"This is an unreal view. The reports with which the committee were concerned raise matters of major public policy on which the views of one Government are likely to differ from those of another Government, particularly a Government of a different political complexion," the reply states.

The report adds that in any case Governments which appoint committees do not commit themselves to implementing any proposals which the committees may make; still less could they commit their successors.

One suggestion made was that time should have been found for legislation at least on uncontroversial proposals. But the Government points out that the legislative programme is selected from a large field of topics competing for priority.

"Discussion of the details of a Bill can occupy a considerable amount of Parliamentary time in both Houses even though the legislation is 'uncontroversial' in the sense that it is not the subject of dispute between the Government and Opposition, and even if its general provisions have wide support. Moreover there has been much Parliamentary criticism that Governments of all parties have placed too great a legislative burden on Parliament in recent years."

The Government's reply to the First report from the Home Affairs Committee Session 1980-1981: SO £1.10.

Car seat-belt legislation for children

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

THE GOVERNMENT is to ban children from travelling in the front seat of cars without seat belts.

Mr. Norman Fowler, Transport Minister, was last night expected to accept an amendment to the Transport Bill which would fine any driver who allowed a child under 13 to travel in the front seat unrestrained.

Children would either have to wear seat belts or sit in the back.

The Clause, which may be slightly modified by the Department of Transport, represents the first step towards making the wearing of seat belts compulsory. Since it concerns children, it is likely to prove considerably less controversial than other attempts to legislate on seat belts.

The Transport Bill, now going through its committee stage, deals with other aspects of road safety but makes no provision for wearing seat belts.

Budget cuts cigarette sales by 8%

CIGARETTE consumption since the Budget has fallen by some 8 per cent, according to preliminary estimates

Sir George Young, Under Secretary for Health, said in the Commons yesterday that the effect of the 14p per packet duty increase in the Budget was to reduce tobacco sales by 8 per cent. He also said that the annual cost to the country of smoking-related diseases was estimated at £150m a year.

The drop in cigarette consumption is less than the 13 per cent tobacco companies had estimated.

Today in Parliament

Commons — British Telecommunications Bill, remaining stages.

Lords—Debate on consultative document on trade union immunities. Debate on plans to make Stansted London's third airport.

Select Committees—Education, Science and Arts Subject: Public and Private Funding of the Arts. Witnesses: Royal Academy of Arts, Association for Business Sponsorship of the Arts. (Room 6, 10 am). Scottish Affairs. Subject: Youth unemployment in Scotland. Witnesses: Association of Directors of Education in Scotland; Scottish Community Education Centre. (Room 5, 10.30 am). Public Accounts Subject: Local autonomy of the NHS authorities and central financial control by Health Departments. Witnesses: Sir Patrick Nairne, Permanent Secretary, Department of Health. Mr. A. L. Rennie, Secretary, Scottish Home and Health Department. Mr. T. P. Hughes, Permanent Secretary, Welsh Office. (Room 16, 4 pm). Industry and Trade. Subject: Effects of BSC's corporate plan. Witness: Sir Keith Joseph, Industry Secretary. (Room 6, 4.15 pm); Transport. Subject: Transportation in London. Witnesses: Representatives of the Department of Transport. (Room 17, 4.15 pm). Social Services. Subject: Medical Education. Witnesses: Faculty of Anaesthetists, Royal College of Radiologists, Royal College of Physicians (Geriatricians); Royal College of Pathologists, Faculty of Community Medicine, College of Psychiatrists. (Room 8, 4.30 pm). Armed Forces Bill. Witnesses: Ministry of Defence officials. (Room 5, 3.15 pm).

LABOUR NEWS

Post Office union leaders reject 6% pay offer

BY PAULINE CLARK, LABOUR STAFF

THE POST OFFICE yesterday became the latest major public service industry seeking to hold down wage increases in the current pay round.

Leaders of the 180,000 strong Union of Communication Workers have rejected a 6 per cent offer.

The Union is seeking a 20 per cent pay rise for postmen, sorters, counter clerks and cleaners.

Comparable

The result of talks was described as "not even worth" putting up for discussion to the union executive.

The Post Office said the offer, which would add £66m to the pay bill, had been worked out strictly on the basis of what it could afford if pay rises were to come out of operating profit without recourse to price rises.

The offer is comparable with the Government's hopes of securing a 6 per cent settlement among its own employees, including civil servants and health service workers.

But it is some 3 percentage points lower than original pay offers to the gas, water and power workers, and about half the settlement figure among these groups.

The start of Post Office pay talks coincides with intensive discussions over plans for a major new cost saving productivity scheme in the industry.

Proposals for substantial changes in working practices will be discussed at a special delegate conference of the UCW on Friday in Bournemouth.

Delegates are expected to make a final decision on an executive recommendation to permanently extend productivity schemes tested in more than 200 offices which yielded an average £9.50 a week in bonuses.

The scheme is being treated as separate to the annual pay agreement, due from April 1, but is nevertheless likely to influence the progress of pay negotiations.

Tariffs

The Post Office has rejected the original union claim which it says would cost £220m. It says it has no intention of increasing postal tariffs this year.

Postmen in London have average earnings of £131 a week on a basic rate of £97.87. Elsewhere average earnings are £114 on a basic of £77.15 a week.

Civil Service dispute may disrupt betting

BY PHILIP BASSETT, LABOUR STAFF

BETTING in England and Wales may face disruption from today because Customs and Excise staff in Manchester will join the Civil Service strikes over pay to avoid being suspended for refusing to work normally.

Some of the 29 staff involved, who were issued yesterday with notices warning them of suspension from 3 pm today, work at the department's betting control unit, issuing betting duty sheets and cards and processing duty returns from off-course bookmakers.

The staff will be taken out on strike today by the Council of Civil Service Unions. It was unclear last night how quickly the placing of bets would be affected. But, the action is only a few days in advance of the Grand National, where it is estimated in excess of £25m would normally be gambled.

The staff have been refusing to handle mail brought across a Customs picket line by management. The picket was set up in connection with strikes at the Customs computer centre at Southend.

Large numbers of Inland Revenue staff around the country walked out yesterday in protest at the threatened suspensions of staff for refusing to process or bank tax payments which would normally go to two strike-bound computer centres.

The unions again adopted the tactic of taking staff out on strike rather than see them suspended from duty. Final totals taken out were unclear, but it was thought the figure might reach about 140, to add to the total on strike of 3,588 at the beginning of the day.

Forty staff at Cardiff A office and 20 at London North struck after senior management went down the office seniority asking staff to work normally. Unions claimed that six out of the 15 principal regional officers asked to carry out the suspensions had refused. They were then warned of suspension, and were taken out on strike.

Twenty-four staff at Nato refuelling depots in Scotland came out on strike, and messengers, paper keepers, porters and telephonists at the Paymaster General's office at Crawley also came out.

Telephone calls to the PGO were left unanswered, and the unions claimed that with other action at Crawley communications between it and Government departments would effectively be halted at a time normally of maximum activity at the end of the financial year.

Mr. David Waddington, Employment Under-Secretary, told the Commons in a written reply that difficulties were being caused to the effective operation of the unemployment benefit service by strike action at the Newcastle contributions computer.

Large numbers of civil servants are expected to take part in walkouts and demonstrations today on the due settlement date for the service.

Some 150 local rallies have been organised in support of the action.

Meeting of NEDC to go ahead

By John Elliott, Industrial Editor

TODAY'S MEETING of the National Economic Development Council is to go ahead at the insistence of the Government and the Confederation of British Industry in spite of the absence of TUC representatives. The TUC will not be attending because civil service unions are to picket the National Economic Development Office's London headquarters today. Senior NEDO officials had thought the meeting would be cancelled.

But Sir Geoffrey Howe, Chancellor of the Exchequer, who is the council's chairman, decided the meeting should go ahead because of important items on the agenda. Mrs. Margaret Thatcher, the Prime Minister, said in the Commons yesterday she regretted the TUC's decision.

The CBI was especially keen that the meeting should not be cancelled because the first item to be discussed is energy costs. Its members are dissatisfied with concessions in the Budget and today's meeting will provide its first opportunity to make formal complaints to Sir Geoffrey and Mr. David Howell.

John Lloyd writes: The National Union of Journalists has instructed its members not to cross civil servants' picket lines outside the NEDO headquarters. Reporters normally atend a briefing there afterwards. It has also called members in the council's Press office on a one-day strike today.

Rival 'will never forgive' bank action leadership

BY NICK GARNETT, LABOUR STAFF

"ARROGANCE" AND "lack of fraternity" from the Banking, Insurance and Finance Union toward the Clearing Bank Union during the present pay dispute would never be fogiven, Mr. Jack Britz, the CBU general secretary, said yesterday.

BIFU's leadership was "bigoted" toward the CBU. It saw that union and not the banks as the principal enemy, Mr. Britz told the CBU annual conference in Birmingham.

The interests of the industry's employees could be properly served only through unity. BIFU, however, through a series of "inept" acts, had rejected this to the detriment of bank staff.

BIFU, which has rejected overtures by the CBU for a joint approach to this year's pay talks, is taking industrial action over the English clearers' 10 per cent offer.

A ballot among CBU members will show a very clear majority advising their negotiators to accept the offer.

A large proportion of CBU members have registered their disapproval of the offer as inadequate, while still rejecting proposals for industrial action, and are reluctantly recommending acceptance.

The minority supporting industrial action is larger than CBU officials expected.

Mr. Britz told the conference that the CBU had to be capable in future of taking industrial action as a way of defending its interests. It would always seek the "peaceful way" out of disputes where that was possible.

The industry was going through a "traumatic period," and labour relations would never be the same.

This year's pay negotiations, he said, had ben marked by "the desire of employers to enforce power."

The banks wanted to defeat the unions so that it would be easier to introduce changes.

Peace move in dock row

SOUTHAMPTON DOCKERS' leaders and employers meet today to try to solve the dispute which has brought all cargo-handling in the port to a standstill for nearly three weeks.

The meeting follows more than 10 ohurs of talks between the sides on Monday, under the Advisory, Conciliation and Arbitration Service.

NUM leader dies

MR. DAI FRANCIS, 70, Communist former leader of the National Union of Mineworkers in South Wales for 13 years, has died in Cardiff.

Construction deaths

CONSTRUCTION industry accidents in 1978 killed 120 men, according to a Health and Safety Executive report published yesterday.

Union dues raised

THE Union of Construction, Allied Trades and Technicians decided yesterday to raise subscriptions by 10p a week, to 75p, from July 1.

NUJ calls weekly paper strikes

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE National Union of Journalists has instructed its 120 members in the Heart of England group of newspapers to begin an indefinite strike from today, and has told its nearly 400 members in all London weekly newspapers to take one-day disruptive strikes from next Monday.

The instruction, relayed to members at branch meetings yesterday, marks a sharp escalation of the NUJ's campaign of protest over Heart of England's closure last December of the Camden Journal, one of its three North London papers. The nine journalists who worked on the Journal have been made redundant.

The group has sacked a further nine working for the Hornsey and Islington Gazettes, the group's two other London papers, who have taken strike action in sympathy with their Camden colleagues. However, at least as many journalists have continued to work on these papers and they are being published.

Some nine of the 13 journalists on the Nuneaton Tribune, the company's only evening paper, have been on strike for two weeks, though it too has been publishing regularly.

Mr. Alan Upwood, the group's managing director, said yesterday the company was "looking seriously at all the North London papers with a view to the level of staffing of them. They are not profitable. They lost thousands of pounds last year and the losses will be in thousands this year."

Mr. Eric Gordon, the editor of the Camden Journal, said the group had not promoted the Journal and had not seriously tried to get advertising for it. The decision to close the paper had been taken on political grounds.

Mr. Gordon has been a member of the NUJ's executive committee, while other members of staff have held union offices.

Mr. Upwood strongly denied the allegation. He said: "It is true that there are a number of journalists of strong Left-wing views on the journal but that was not a factor."

Heart of England has offered to hand over the Journal and the use of its offices to the staff for a token sum. However, the staff and the union believe they should continue their attempts to keep the paper open.

Talks between the two sides reached deadlock last week. The company said it was only prepared to talk about redundancy terms, while the union has insisted that it discusses the possibility of continuing publication.

UK NEWS—BANK OF ENGLAND QUARTERLY BULLETIN

Expansion depends on industry's competitiveness and inflation rate

Reports by **Peter Riddell** and **David Marsh**

THE PROSPECTS for economic expansion depend on how far industry can improve its competitive position and on a further reduction in the inflation rate, says the Bank of England in its quarterly bulletin published yesterday.

The assessment section of the bulletin takes a cautious view of the economic outlook. It says the recession is now likely to change in character. Stocks may be run down less rapidly but demand elsewhere is likely to weaken. Competitiveness has been greatly eroded and further lagged effects on trade are to be expected. In addition, business investment is likely to be cut back.

Whatever the exact course of the economy, unemployment seems likely to rise more slowly in 1981 than last autumn and winter. Prospects of economic expansion in later years depend on the extent of the improvement in industry's competitive position.

"The pace of inflation has moderated encouragingly, but still needs to be further reduced. It may now be no faster than the average in competing countries; but the prospects for recovery would be much brighter if this country could now become a country where inflation was clearly below the international average.

"Given the likely economic climate in the next 12 months, wage increases in the next round could again show a further substantial deceleration. A marked slowing down is certainly desirable.

"The slowing down of inflation and the smaller size of wage increases as compared with last year has been helped by the rise in the exchange rate; but that can hardly continue indefinitely. The need will be to continue reducing the pace of inflation, even without the assistance of a rising exchange rate.

"The alternative of a falling exchange rate would not evade the problem, which would then appear in a new, but equally difficult, form; the problem would be to prevent the resulting gain in competitiveness from being eroded by a faster rise in costs. Either way, there is much the same problem of restraint.

"It is the real, rather than the nominal, exchange rate which matters; and it is only by controlling costs in this way—along with successful exploitation of new products and services—that industry can restore some or all of the huge erosion of its competitive position that has taken place over the last two or three years."

Looking at the monetary record, the Bank says on a broad view financial conditions must be judged to have been tight last year. Sterling M3, the broadly defined money supply, was a poor indicator of its stance. Over the last year, the growth of broad money was probably increased by the particular effects of the recession—which inflated the scale of public borrowing and at the same time led to high borrowing by industry from banks.

The bulletin says the Budget decision to reduce Minimum Lending Rate was based on "a range of considerations going wider than the evidence of the monetary aggregates. In addition to a prospective slowing down of the growth of the broad measures of money, the level of real interest rates, and developments in the economy more generally, were judged important."

The Bank maintains that the stance of monetary policy should be somewhat eased as a result of the monetary steps announced with the Budget, whose aim is to bring about a further reduction of inflation, while holding out the prospect of lower interest rates.

The bulletin points out that the Budget changes are intended to bring down public sector borrowing at a time when recession is working to increase it.

"As a percentage of Gross Domestic Product the public sector borrowing requirement is expected to decline from 6 per cent to something over 4 per cent. To serve roughly as an indicator of fiscal policy the PSBR should be adjusted for the effects of changes in activity: without these it would have declined still more, possibly to 3 per cent. Despite the high nominal figure for the borrowing requirement, the Budget proposals must therefore be regarded as financially strict."

"The effect of the tax increases on activity will be partly offset by the stimulating effect of lower interest rates and possibly of a lower exchange rate."

The Bank is cautiously optimistic about the monetary outlook. "It seems likely that the growth of the broad monetary aggregates in 1981-82 will be a good deal slower than in the financial year now closing. The demand for money should grow more slowly inasmuch as money incomes are likely to expand less rapidly than last year. Of the counterparts of sterling M3, public setcor borrowing should be less, as probably also industry's borrowing from the banks."

The increased emphasis on national savings and the innovation of an index-linked gilt-edged stock should ease the financing of the public sector. "These steps—along with the cut in MLR—may take pressure off long-term interest rates; and help to encourage companies to rely more on the capital market for finance, and less on the banks."

Sterling holdings rise by £1.32 bn

IDENTIFIED STERLING holdings lodged in the UK by official institutions rose by £1.32bn last year, to £4.64bn, as the pound's importance as an international reserve currency increased.

Figures in the Bank's bulletin show that the lion's share of the increase, about £1bn, was accounted for by the increased holdings of oil exporting countries.

Although the figure does not cover all the holders of sterling exchange reserves the increase still represents only a small proportion of the oil exporters' total disposable cash surplus, estimated by the Bank at $77bn (£34bn) in the first three quarters of last year.

The Bank also records that central monetary institutions held £800m in the offshore Eurosterling market from September last year, representing a fall of £100m in the third quarter. It does not say how much of this was held by oil-exporters.

Unusually, the bulletin contains a figure for the Bank's "other liabilities." These mainly represent the working balances of sterling held by foreign central banks. They were £675m at the end of 1980, down from £732m at the end of 1979.

Nearly all the recorded increase in oil-exporters' sterling holdings last year was in the form of net purchases of Government stocks. This amounted to £879m, taking the total outstanding to £1.61bn. Holdings of banking and money market liabilities went up by £139m, to £616m.

The Bank puts the identified cash surplus of the oil-exporters in the third quarter last year at $21.4bn, $5bn less than the second quarter. The total identified deployed surplus for the first three quarters is put at $71bn.

About $10bn of the third quarter surplus was deposited with banks, the Eurocurrency market accounting for the entire net increase. Deposits in domestic currencies actually fell slightly because an increase in domestic holdings in some European countries was more than offset by a fall of $2bn in dollar deposits in the U.S.

However, the overall share of bank deposits denominated in dollars continued to rise, the Bank says.

Bankers say the trend towards oil countries placing new bank deposits outside the U.S. although not necessarily forsaking the dollar, appears to have strengthened since the U.S. blocking of Iranian assets in November, 1979.

For 1980 as a whole the Bank figures show that oil States' bank deposits in the U.S. fell by $1.2bn, compared with an increase of $5bn in 1979.

However, oil States' investments in U.S. Treasury bonds, notes and bills rose $9.7bn last year against only $2.2bn in 1979.

The Bank says that in the first three quarters of last year the proportion of new funds from the oil States placed in the UK and U.S. fell to about 37 per cent of total identified investments, as more funds were placed in other industrialised centres, notably West Germany and Japan.

Deployment of oil exporters surpluses

$ billions	1979 Year	1980 Q1	Q2	Q3	Q4
UNITED KINGDOM:					
Sterling bank deposits	1.4	0.6	0.7	0.2	−0.1
Euro-currency bank deposits	14.8	4.1	1.9	5.3	35.
British government stocks	0.4	0.3	0.9	0.7	—
Treasury bills	—	0.6	−0.4	−0.2	−0.1
Other sterling placements	0.4	0.1	—	—	—
Other foreign currency placements	0.2	—	—	—	—
	17.2	5.7	3.1	6.0	3.3
UNITED STATES:					
Bank deposits	5.0	−0.8	2.6	−2.0	−1.0
Treasury bonds and notes	−1.1	2.1	2.4	1.6	2.2
Treasury bills	3.3	1.3	−0.4	0.7	−0.2
Other portfolio investment	1.0	0.7	1.0	1.9	1.0
Other	−1.4	−0.4	0.9	na	na
	6.8	2.9	6.5	2.2	2.0
Bank deposits in other industrialised countries	18.7	8.3	8.2	6.9	na
Other investment in other industrialised countries*	8.7	3.4	4.7	4.5	3.9
IMF and World bank†	−0.4	0.9	2.5	0.3	1.2
Loans to developing countries	9.6	1.9	1.4	1.5	0.3
Total identified deployed net cash surplus	60.6	23.1	26.4	21.4	na
Residual of unidentified items	10.4	3.9	3.6	na	na

na Not available.
* Mainly loans and holdings of equities.
† Includes holdings of gold.

Source: Bank of England bulletin

Manufacturing role declines

PRODUCTION and employment have continued to fall in the UK but output per man-hour in manufacturing industry appears to have been maintained, according to an analysis in the commentary section of the Bank bulletin.

The bulletin notes the decline of the relative importance of manufacturing in total activity. The decline is from about 34 per cent of the value of total output in 1965 to about 30 per cent in the early 1970s, and probably to under 25 per cent last year.

Oil and gas production in particular, but also various public and private services, have grown in relative importance.

By the end of last year the workforce in manufacturing was more than 10 per cent lower than the 1979 average. This is a larger fall in employment in relation to the fall in output than previous experience would have suggested.

There have also been falls in the average number of hours worked per operative. Altogether, each employee worked $5\frac{1}{2}$ per cent fewer hours on average in the fourth quarter of 1980 than in 1979. These figures suggest output per man-hour in manufacturing industry was broadly maintained.

The bulletin also notes employment has fallen more than unemployment has risen. In contrast to the 1974-75 recession, fewer people are working or registering as unemployed.

Employment and registered unemployment*

Thousands, in September
Percentage change in italics

	Last recession 1974	Last recession 1975	This recession 1979	This recession 1980
Employment in:				
Manufacturing	7,750	7,280 *−6.1*	7,040	6,490 *−7.8*
Other production industries	1,980	1,970 *−0.5*	1,940	1,880 *−3.0*
Other industries and services	12,710	12,970 *+2.0*	13,460	13,330 *−0.9*
All industries and services	22,440	22,220 *−1.0*	22,440	21,710 *−3.3*
Registered unemployment	620	1,100 *+77.4*	1,330	1,950 *+47.2*

* Great Britain.

The bulletin discusses the increase in the ratio of personal saving to income as real incomes have grown.

It says: "The marked rise in the ratio in recent years may be associated with the reduction in the real value of personal-sector liquid assets (brought about by rapid inflation, first in the mid-1970s, and again, after some recovery in their real value, in 1979), as well perhaps with uncertainty about employment.

"Although the savings ratio may decline this year, the impact may be outweighed by the effects of higher national insurance contributions from employees, higher specific duties; fiscal drag arising from the decision not to raise income tax thresholds and allowances; further declines in employment; and a closing of the gap between the growth of average earnings and consumer prices.

"The net effect might be for consumer spending to become a modest contractionary force this year."

The Bank says "the change in the trade balance in volume terms increased Gross Domestic Product by nearly $1\frac{1}{2}$ per cent last year but competitiveness effects taken separately—ignoring changes in income at home and abroad and other influences—may have worked to reduce GDP by about $2\frac{1}{2}$ per cent.

"The contractionary effect of weak competitiveness could be even greater this year, perhaps tending to reduce GDP by $2\frac{1}{2}$ to 3 per cent, working mainly through exports."

The growth of UK markets abroad (estimated at nearly 5 per cent) and weaker competitiveness were roughly offsetting influences on exports last year. The influence of worsening competitiveness on imports was outweighed easily last year by weak demand.

The bulletin examines the relationship between the surplus on the current account of the balance of payments and sterling M3. A surplus contributes directly to sterling M3 only to the extent that sterling bank deposits held by the UK private sector are thereby increased.

In the year to this February there was a surplus of £3.95bn but there was a £70m negative direct effect on sterling M3 (though a £330m positive effect since last October).

This was because UK residents increased their holdings of foreign currency deposits substantially and there were capital outflows from the private sector.

Monetary base rises 5.4%; M3 up 19.7%

THE MONETARY base, which comprises notes and coin in circulation plus bankers' balances with the Bank of England, rose by 5.4 per cent in the 12 months to February, according to figures contained in the Bank's bulletin.

This compares with growth of sterling M3, the broadly defined money supply, of 19.7 per cent over the period. The narrowly defined money supply, M1, rose by 8.1 per cent during the 12 months.

The bulletin contains, for the first time, full statistics on the monetary base dating back to 1919.

The move, foreshadowed by Sir Geoffrey Howe, the Chancellor, in his Budget speech in March, is meant to contribute to the debate about which definition of money should be monitored as part of the authorities' methods of monetary control.

Proponents of the monetary base, like Prof. Alan Walters, the Prime Minister's economic adviser, argue in favour of a system whereby the Bank acts directly to control the monetary base. Prof. Walters argues that slack growth of the base during the last year shows that monetary conditions have been too tight.

The most widely-used definition of the monetary base has three components—notes and coin in circulation with the public, notes and coin held by banks (till money) and bankers' deposits with the Bank of England.

The Bank's statistics show that cash in circulation with the public—which makes up 86 per cent of the monetary base—has risen the most during the latest 12 months, by 5.7 per cent.

The other two components have risen by 3.6 per cent and 4.0 per cent respectively. Between the end of 1978 and end-1979, the monetary base increased by 10.4 per cent, while in 1978 the rise was 12.9 per cent.

In a commentary accompanying the statistics, the Bank says the broadest definition of the monetary base might include other liabilities of the Bank of England.

It points out, however, that banks' special deposits, which are levied from time to time to withdraw funds from the banking system, are not liquid in the normal sense and therefore the argument for including them is less clear-cut. Special deposits have not been levied since last July.

The Bank's other liabilities, including working balances of sterling held by foreign central banks, are also likely to be less important. Changes in the levels of central banks' holdings have less direct effect on UK monetary conditions than changes in bankers' deposits, it says.

The Bank notes that the level of bankers' deposits over the years has partly reflected differing institutional arrangements and also decisions by individual banks whether or not to become Bank customers.

It points out that the figures have been volatile for seasonal factors and because deposits have represented the residual of the daily clearing process between the Bank and the rest of the banking sector.

"For all these reasons, bankers' deposits do not necessarily provide a good guide to the level or stability that such balances might display under a different regime, for example, one that left banks entirely free to choose the amount they hold or one that required all banks to hold a certain level of bankers' deposits."

Under present arrangements the London clearing banks hold $1\frac{1}{2}$ per cent of their eligible liabilities in the form of non-interest bearing balances at the Bank.

Other banks generally use their accounts at the clearing banks to settle inter-bank claims, and to satisfy their own cash requirements. Many of them do not hold balances at the Bank.

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Commodity price moves

IN THE 1970s commodity prices seem to have responded more quickly and sharply than before to changes in economic activity, according to a special article in the bulletin.

Mr. C. A. Enoch and Mr. M. Panic of the Bank's economics division examine econometric evidence on this issue.

They say that "to the extent that slow growth of output and investment, exchange-rate instability and growing uncertainty about world economic prospects continue into the 1980s, the phenomenon of sharply-rising commodity prices in cyclical upturns is likely to do so also."

"This is certain to increase the problem of lowering the world rate of inflation, at least during the 1980s.

Study of corporate bond prospects

THE PROSPECTS for a revival of the corporate bond market are examined in a special article in the latest Bank bulletin.

The article notes that the Wilson Committee had identified "an unsatisfied demand for long-term fixed interest loan finance which could materialise when economic conditions are thought to be favourable. But until the prospects for inflation and interest rates are seen with greater assurance, fixed-rate borrowing seems likely to remain, for the most part, less attractive to corporate borrowers than variable-rate finance.

"Whether issues of debentures can eventually regain the importance they had in the 1960s will also in part depend on the appeal of the alternative sources of medium-term finance which have developed over the past 10 years.

"The relationships between bond issues and sterling M3 is complex. Larger issues by companies would reduce the growth in sterling M3 to the extent that companies reduced their dependence on bank borrowing and, at the same time, did not induce other sectors of the economy to increase their borrowing from banks by an equivalent amount."

More data on overseas activities of UK banks

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE BANK of England has made a further significant improvement in its statistical coverage of the international activities of banks registered in the UK, together with their subsidiaries and branches abroad.

A table in the bulletin gives for the first time total figures for bank lending abroad on a country by country basis, net of lending which is effectively guaranteed by a third party in another country.

Such a guarantee can arise, for example, when a British bank is lending to the branch of an international bank located outside the country of its head office. In that case the head office is ultimately responsible for the branch's debt and the loan comprises risk to the country in which the head office is incorporated.

The figures thus give a more accurate picture of British banks' exposure to other countries than was available before.

For example the Bank says British banks had lent a total of $5.2bn to Brazil at the end of June last year, but only some $4.2bn was directly incurred by entities wholly within Brazil and the remainder does not constitute Brazilian risk.

Net of such risk transfer two of the largest creditors of British banks were France with $6.2bn outstanding and Belgium/Luxembourg with $4.8bn, but in both cases a substantial portion of the total was lending to banks.

Non-banks in the two countries had borrowed only $1.5bn and $540m respectively.

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Washing oil rigs clean underwater

A BREAKTHROUGH in high-pressure water-jet techniques used in the undersea cleaning of oil platform structures and pipelines is claimed to have been achieved by Salvesen Offshore Services, Aberdeen, (0224 874904), in collaboration with BHRA Fluid Engineering and the with the financial assistance of the National Research Development Corporation (NRDC).

It concerns a sea-water pressure intensifier unit said to give greatly improved underwater cleaning rates and the ability to clean structures and pipes down to bright metal through layers of epoxy or rubber-based protective coatings. Experiments with undersea water-jet cleaning have shown that an optimum pressure must be achieved before there is any significant effect in removing protective coatings. Above that level the effectiveness of high-pressure jets rises dramatically.

The Salvesen unit, introduced at the recent symposium in Aberdeen of the Association of Offshore Diving Contractors, is designed to deliver seawater to a jet at pressures as high as 30,000 lb sq in. It is claimed that at that pressure the impact on the surface of a structure or pipe can effect cleaning rates up to 25 times higher than that of conventional jets, which cannot deliver more than about 15,000 lb/sq in at the nozzle.

The intensifier unit is said to have no depth limit. It is connected by hose to a conventional surface pump-set operating at 7,000 lb/ sq in. Because the intensifier unit can be placed fairly near the jet-gun the loss of pressure is much less than with systems requiring long high-pressure hose runs from the primary pump, Salvesen claims.

Sea water is the only cleaning medium used, thus avoiding the reloading and blockage problems caused by abrasive slurry systems and the risk of damage to the structure being cleaned. The system can be operated by a diver or can be used in conjunction with a manned or a remotely-controlled submersible.

The unit is actuated by a trigger on the jet gun, which requires only low-pressure oil for its operation. As a safety measure, releasing the trigger depressurises the high-pressure water line.

What to do when a machine gets the shakes

BY GEOFFREY CHARLISH

ACCORDING TO the general manager of IRD Mechanalysis (UK), John Netting, British industry spends in excess of £8,000m annually on maintenance of plant and machinery and, he claims, "a lot of it is wasted."

He believes that, at a time when most industry leaders are desperately looking for ways of cutting costs by pruning head count, slashing stock levels—even cutting the consumption of office paper—many are at the same time throwing away far greater sums through unnecessary maintenance.

Predictive

The particular forte of this company is predictive maintenance by means of machine vibration analysis. The idea is hardly new—IRD and its U.S. parent among others have been promulgating the idea for some years—but now, according to Netting, is the time to start taking it seriously. He argues that even 10 per cent knocked off the national industrial maintenance bill will save industry £800m a year.

For some time IRD Mechanalysis has been attacking the problem at plant maintenance engineer level, many senior managers and board directors remaining unimpressed. The trouble is that maintenance lacks glamour and prestige ("unlike microprocessors," says Netting) and is at the same time seen as too technical for directors to come to grips with.

IRD thinks it is about time managements understood that maintenance "represents a large and virtually untapped profit centre."

This company's principal business is in the design and production of diagnostic vibration test equipment. But in its latest approach to industry, via some hard hitting advertising and 22 training courses it will run each year, it is hoping to get away from equipment and detailed technicalities and place more emphasis on the benefits of a systematic approach to the subject as a whole.

Basic to the IRD Management System are checks of machine vibration levels using hand-held meters.

Main claim is that by applying IRD's equipment methodically, predictive maintenance, based entirely on "listening" to machinery, can produce in terms of labour costs an 86 per cent improvement over breakdown maintenance and a 68 per cent improvement over periodic maintenance.

Breakdown maintenance of course, implies that nothing is done until a machine or piece of equipment actually stops working, halting production or process flow until repairs can be effected. In badly neglected cases a whole machine may need replacing says IRD.

Periodic maintenance often means irregularly timed "attacks" during factory holidays. What happens then claims the company, is that components with plenty of life left in them are replaced prematurely. In addition, machines that were running perfectly well can easily be degraded by the very act of routine stripping down.

Basic technical philosophy behind the IRD approach is that when a rotating, reciprocating or any other kind of machine is operating at its best it will produce a characteristic "signature" vibration. In simple cases this can be recognised on an oscilloscope, but for more clarity a spectrograph is produced — simply a histogram of amplitude heights for the various frequencies present in the machine's signals.

When a problem begins to develop, say in some bearings, the signal will change and perhaps a "peak" will slowly develop on the histogram.

Management

The point about this approach, which IRD is calling "Maintenance Management," is that it is possible to see trouble in its early stages using simple portable equipment that can be used at assigned locations on each machine. Any increase over a pre-determined norm in the general measured level can then be the subject of a more detailed analysis.

Although one of the most crucial parameters that determines machine health is vibration, there might also be a need to monitor other parameters such as the clearances of moving parts or the temperature at certain heat producing locations.

For this kind of comprehensive monitoring the microprocessor has come to the aid of IRD's designers in the recently introduced model 5806. This has six input channels for almost any transducible variable, with appropriate conditioning circuits. Then, any of them can be brought up on a display and, using a hand-held plug-in programming unit, acceptable trip limits can be set for each channel in turn. An alarm will sound if any channel goes out of limits.

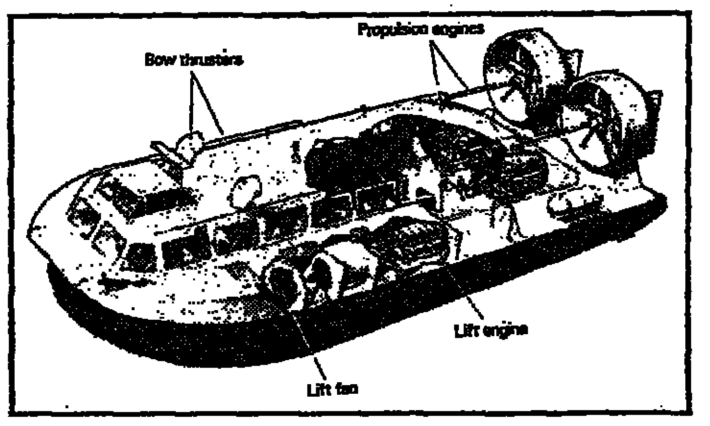
Use of a microprocessor enables a number of facilities to be introduced that would otherwise be costly, apart from easy on-the-spot programming and high quality signal conditioning. For example, "and" voting can be performed with two channels for greater security: limits must be passed on both before alarms are tripped. In addition, the high levels of vibration generated by most machines on start-up can be prevented from raising alarms since an initial inhibiting period can be programmed for any channel. Depending on the facilities, the unit costs upwards of £4,000.

Another micro-driven instrument, the model 820 at £3,250, will produce in about half a minute a complete spectrum of vibration between 10 and 10,000 Hz, printed out in engineering units of 600 to 600,000 cycles/min. The instrument also has a meter which displays overall vibration level.

A recent customer of IRD has been BP Shipping: the 60 vessels in the fleet now employ monitoring and the result has been a significant decrease in the maintenance man-hours and plant down time, with better performance and economy. Reduction in time spent on maintenance has averaged 30 per cent—and far less time has been spent in dock for repairs. IRD is on 0244 374914.

Latest UK hovercraft takes off

THIS IS the British Hovercraft Corporation's latest baby. It has an overall length of 68 ft and is claimed to be capable of reaching 55 knots in calm water. The craft has a cabin which can be used for seating up to 80 passengers or carrying cargo. BHC says that simplified welded aluminium construction and the use of marine diesel engines instead of the more expensive gas turbines has cut the cost of production and will also result in lower running costs.



Two 8-cylinder 258 hp engines provide lift and two 12-cylined 428bp diesels drive the craft forward. Control is through rudders, differential propeller thrust and bow thrusters. BHC has called the new hovercraft the AP1-88 and hopes to sell it extensively in overseas markets.

NEWS IN BRIEF

ACCOMMODATION

BUILDINGS which can be moved from one location to another and are intended mainly for leisure activities are being put on the market by Foster Rainford Construction of Lords Fold, Rainford, St. Helens, Merseyside (074 488 2011).

Designed specifically for use in holiday camps, caravan parks, sports clubs and so on, they are of timber frame construction with an exterior log cladding. Available in lengths from 12 ft to 32 ft, the buildings can be used for many purposes and ranging from saunas to showers and shops.

PRINTING

KAYE-DEE of Sheffield have introduced a new system for printing on small electronic components. The items—relays, integrated circuits and the like are packed into long plastic tubes which are fitted to the machine. The parts are automatically discharged, printed and reloaded at a rate, Kay-Dee claims, of 1,000 an hour.

The system, made by Teca-Print of Switzerland, comprises a TC 130K printer and a two-tier carousel; the top tier will take 12 full tubes of unprinted components. Kay-Dee will explain more on 061-832 2531.

CLEANING

STEAM cleaning, hot or cold high pressure washing of farm machinery, vehicles and so on can be made a less onerous task by using equipment manufactured for this purpose by Wickham Industrial Equipment of Norton Road, Stevenage, Herts (0438 4041).

The equipment can be easily moved around as it is mounted on rubber tyred wheels and is self-contained with integral fuel, water and detergent tanks. A hand lance, 30 ft high pressure hose and solid stream and fan type jets are supplied. The equipment could also be used for sterilising farm buildings.

TUBING

A STEEL foundry specialising in nickel-chromium alloy castings has developed a technique for producing thin-wall centrifugally cast tube up to 2.6 metres long. Such tube is used for radiant elements, retorts and other components in the heat treatment and petrochemical industries.

The tube is being produced by Wellman Alloys at Stourbridge in a variety of lengths, diameters and alloys with a wall thickness down to 3.175 mm. Traditionally, the minimum wall thickness achieved by centrifugal casting has been around 8 mm, says Wellman.

Centrifugal casting involves the introduction of molten metal into a rotating metal mould. The mould is preheated, refractory coated and rotated horizontally. Radial pressure forces the metal to the inside surface of the mould, resulting in an accurately formed tube. The thickness of the tube depends upon the weight of metal poured into the mould.

Wellman Alloys says it is now able to supply thin-wall tubes on a normal production basis using its established alloys and that development is continuing. It is expected that cast tube from 2½ mm to 3 mm wall thickness will be available very soon.

INSTRUMENTS

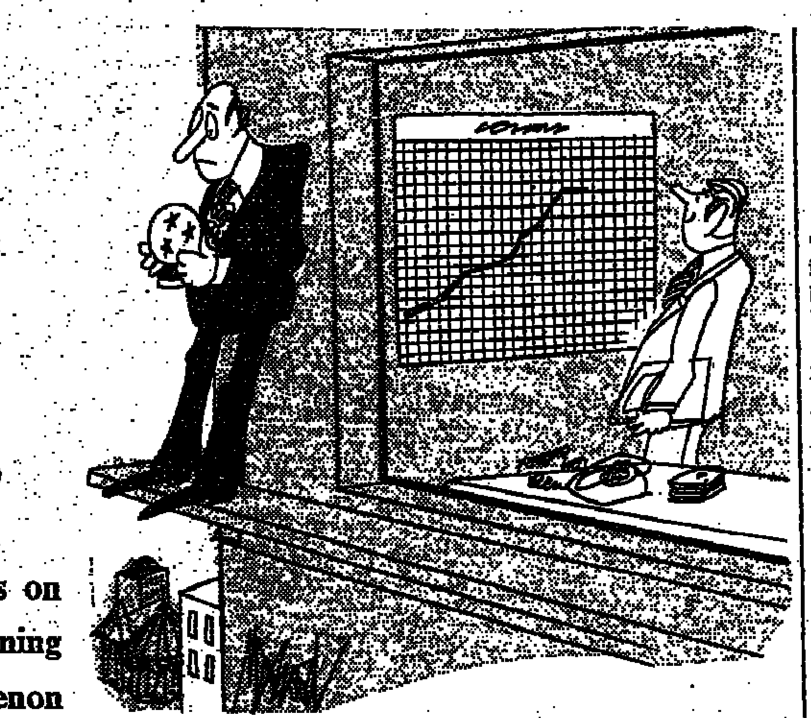
A DATA analyser introduced by W and G Instruments of Middlesex is designed for trouble shooting and monitoring of sophisticated data communications systems.

Called the DA-10, the unit sits at the electrical interfaces V24/28 (X20;Z21), and monitors the system through software-based procedures. The list of programs includes monitor programs for trouble-shooting and for the viewing by byte and bit orientated procedures, a 511/2048 bit test for ascertaining bit error rates on communications circuits, timing measurements to measure switching times at the V24/V28 interface and distortion measurements. W and G Instruments will give more details on 01-575 3020.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Putting magic back into business



Gareth Griffiths on an entertaining phenomenon

MELVILLE JOHNSTON, the chief executive of Halfords, has been known to enlist the aid of a large crystal ball to produce the latest company results and sales forecasts . . .

Eric Hartwell, chief executive of Trusthouse Forte, has turned his hand to inventing a couple of card tricks—to the acclamation of Magic Circle members . . .

Sir Ronald Gardner Thorpe, the Lord Mayor of London and another dab hand at card tricks, has used his dextrous ability to liven up a number of official functions . . .

Sleight of hand

Yes, a little bit of magic is coming back into British industry. During the past 10 years, interest in the "art" has boomed and more and more executives are viewing magic as a useful means of improving business.

But that does not necessarily mean that sleight of hand can work a financial miracle. The key point, according to John Salisse, honorary secretary of the Magic Circle, a UK-based international brotherhood, lies in the discipline that goes into becoming a magician. Salisse, a director of one of the UK's largest companies and who keeps his business life strictly separate from the magical world, says magicians must learn how to present their tricks and project their personalities.

In performing magic tricks, technique is secondary to the way the magician puts them across. Salisse believes such confidence-building is bound to have a beneficial effect on management style.

Though the 800 British members of the Magic Circle share the pleasant fraternity of their hobby, there is nevertheless a strong element of competition, and new tricks are carefully looked at to see if there are flaws in presentation or technique.

The main lesson magic has taught Eric Hartwell of Trusthouse Forte is to think beyond the obvious. At magical performances he is constantly looking at tricks for their presentation, their weak spots or their strengths, and the method by which the illusion is preserved. At the same time his tricks are subjected to the same scrutiny.

This two way process of criticism and help is important, says Hartwell, because it teaches magicians to look constantly at what other people's reactions are. At the same time the sheer amount of work they have to put in on learning new tricks and putting together acts teaches them great self-discipline.

At Halfords, the cycle and motor parts subsidiary of Burmah Oil, staff have become used to the magical tricks of Melville Johnston. As well as presenting company results and forecasts out of a crystal ball he has sawn people in half at shop openings.

His interest in magic started in 1944 when, eager to learn the secret of a trick involving a cigarette being put into his father's ear and reappearing in his mouth, the young Johnston managed to destroy about 50 rationed cigarettes. His father decided to teach him the trick and Johnston has been involved in magic ever since.

But he tells a cautionary tale. Opening a Halfords branch in Edinburgh, he did his usual sawing trick and was duly photographed for the local evening paper.

However, because of one of those tricks of fate over which not even members of the Magic Circle have control, the picture of Johnston wielding his saw appeared without a caption and seemingly illustrated a story dominating the page of how someone had been found guilty of murder.

In spite of such upsets he remains cheerfully committed to magic in business. Tricks provide icebreakers at meetings, he says, and a disappearing visiting card will produce more of a reaction than the ordinary sort.

Promote products

Some of Johnston's activities fall into one of the quickest growing sectors in the field of illusion, trade magic. The concept comes from the United States where a majority of business conventions appear to have magicians on the agenda to promote products or to assist in new launches.

This marketing magic approach has now crossed the Atlantic. Crown Paints, for example, launched its mini matchpot paint range last month with a magic show by Paul Daniels, a magician who appears regularly on television. Two companies, Magic Sells and Magic Promotions, now specialise in putting on industrial magic shows. Could it be the spell the British economy needs?

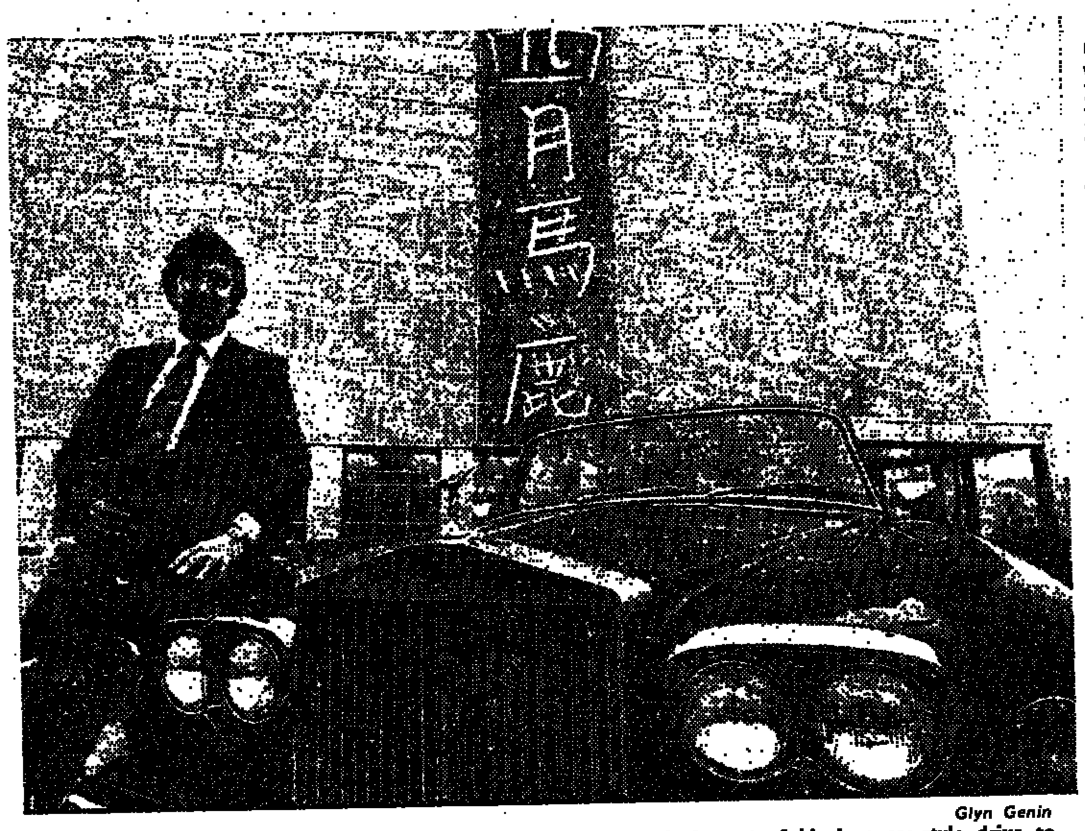
Oriental dawn breaks in the West

Robert Cottrell examines an experiment in U.S. management

"CLEARLY, whatever quality it is that makes the Japanese so productive has yet to be fully understood, or at least explained in a way which is useful to managers elsewhere. But what I do believe we can say is that it is a cultural phenomenon."

David Bromberg is vice-president with special responsibility for motivational co-ordination at Fish Fengler Dynodrive, one of the new breed of U.S. "sunbelt" companies which are extending the high technology associated with "Silicon Valley" around San Jose into the adjacent south-western states. FFD, headquartered in the small town of Golden River, Arizona, is one of the fastest-growing "noemac" — non-chip mainframe cybernetic — companies in the world, producing computer components other than the silicon microcircuits themselves.

The measure of FFD's success is that, within five years of its foundation on a shoe-string budget, it is selling no less than 30 per cent of its $100m annual output to the Japanese. Behind this remarkable achievement lies an unorthodox and at times highly controversial labour-management programme inspired and developed by Bromberg.



Glyn Genin

David Bromberg at his Arizona HQ: the banner hanging from it is part of his Japanese-style drive to improve employee motivation

"Bromberg came to us," explains FFD founder and chairman, Cy Fengler, "with a straightforward thesis, which we liked the sound of. He said, as I recall, 'Look, gentlemen, the Japanese have wiped the floor with the European outfits; they got way out ahead on 64K RAMs while San Jose was wondering how many redundant cells to add on to its 16Ks, and they're going to have every high-technology corporation in this country on its ass in five years unless we take a different tack.' Which you couldn't help but agree with. What he said next was less easy to follow."

"What I told him," picks up Bromberg, "was that, however much the American business temperament may rebel against it, we have got to learn how the Japanese do it, by doing it ourselves. We have got to copy them. We don't know why they work 22 hours a day, live in rabbit hutches, treat the CEO like their father and produce microchips with the care of a midwife delivering a baby, but if we don't find out we are sunk, washed up, out for the count."

"The first step," continues the 27-year-old Wharton graduate, "was simple, and indeed, almost orthodox in this industry. We moved to establish Japanese patterns of worker-supervisor relationships on the factory floor. Everybody spoke politely to one another, the entire staff from Cy Fengler down clocked in and was seen to clock in, the managers moved out of their offices on to open-plan desks within sight of the production line. Which made for a pleasant enough working atmosphere, but I must confess that the impact on productivity was not at that time perceptible."

Two months later, FFD felt confident enough to proceed with the more adventurous second stage of what had become known as the ATONEMENT (ambient training of new Eastern management) programme, a phase targeted at the "inner worker."

"We encouraged the formation of 'quality circles,' where guys sit down at the end of the day and think and talk about what they are doing and how they can do it better," says Bromberg. "The circles were what we call 'intrinsic' ones, which is to say that the perceived motivational reward was intended to be that of enhanced worker job satisfaction rather than a monetary commodity."

So far, ATONEMENT had, while certainly breaking out of conservative American business practice, not produced any recognisably radical strategies. "But the point, the disturbing point, if you will," explains union representative Garth Schinkwood, "was the totality. It was made clear from the outset that this was not going to be just another piece of soft-focus manpower programmatisation, but a real experiment in human terms actively oriented on a total sociological basis."

Peripheral

The nearest Bromberg came to a shopfloor revolt was when he swooped on peripheral working conditions. First, Japanese music was piped on to the factory floor in place of the traditional country-and-western. But more controversially, tea in ceramic cups replaced the thick mugs of steaming coffee at break-time; and the canteen moved over to oriental food. "We explained," says Bromberg, "that, ridiculous as it may at first seem, we could not afford to discount the influence of any one known factor on our ultimate parameter, productivity. So food was important. They could have anything they wanted to eat, so long as it was raw. Raw fish, raw meat, raw vegetables, even raw leather if they wanted it, finely chopped, artistically arranged on the plate, served with a selection of soy sauces. We gave them the best because we wanted them to get to like it."

That switchover cost the company heavily for a couple of months in what came to be known as "NIPS"—new incentive payments—paid to smooth the transition. But gradually the workers grew accustomed, wage rates went up and the bonuses were consolidated out of the way. Some $50,000 was paid out in NIPS, roughly equal to the marginal profit from increased productivity by the time the canteen switch was underway.

"We had a lot of tolerance, we had a lot of optimism by that stage," says Schinkwood. "It had been weird, sure, but it hadn't been too awful, and a lot of the men thought, 'Hell, this is the new South, we ought to be able to do something new ourselves without kicking up too much of a whimper'."

Travel-to-work was more difficult to regulate, since the men were not vulnerable to Bromberg's inspections. But by and large, the workforce proved willing to comply with his requests. "Rush hour" effects were simulated by groups of men crushing into the back seat of a single car, or forming a tight group on the bus, with the object of creating an atmosphere of pleasure upon arrival at the factory.

Again to enhance the comparative freedom of the factory, workers were encouraged to contain their family life within no more than 30 square feet of their houses, the "new living area" to be marked off with paper screens. A miniature golf club was opened next to the FFD plant, and dotted with bonsai trees; a season of kung-fu movies was sponsored at the local cinema; Japanese whiskies with names like "King Edward X Old Balmoral Blend" were made available at subsidised prices in the local bars.

"So if you walked into Golden River, as many people have done and still do, without knowing what has happened here," explains Bromberg, "you would think we were pretty crazy. But because we have done it gradually, and more importantly because we have explained at each stage why we were doing it, the workers have bought it. Some of them even half-humorously got hold of kimonos and started wearing them around the factory. But they just seemed so cool and cheap and practical that within a couple of weeks the humour had evaporated and they were more or less standard dress around the plant."

The kimono phase occurred at Christmas time, marking the most recent ground-breaking in the ATONEMENT programme.

The results so far have been remarkable. Output per man/hour has tripled in inflation-adjusted real terms. The men are working longer, harder, and more consistently. FFD profits are up from a net $1.3m in 1978 to an expected $10m this year. Productivity is, in short, at the best Japanese levels.

"The incredible thing," reflects Bromberg, "is that we still don't know exactly what made it all happen. And it is *because* you cannot put your finger on one single factor and say 'this is what makes the Japanese work so well' that our approach is vindicated."

LOMBARD

A soft verdict on sugar

BY MARTIN TAYLOR

WHEN the Monopolies Commission was given an extra three months to investigate S. and W. Berisford's bid for the British Sugar Corporation, stories began to circulate that the Commission was really getting on top of the complexities of the sugar question. Alas for such naivety.

It is not the conclusion of the report that is necessarily at fault, although it is a very strange one. To accept it one has to be convinced that the public interest can be defined so precisely that a little tinkering here, a promise there, can bring a takeover over the threshold of the acceptable. It is on the way to the conclusion that the problems arise.

Disclosure

Early on in the report, for example, we read that "Berisford is unable to produce a breakdown of its turnover and pre-tax figures . . . attributable to trading in sugar." Now financial journalists are well aware that Berisford's disclosure profile is not high enough to stub your toe on. But surely the mighty Monopolies Commission can worm out a bit of segmental information when looking at a £200m bid?

A little further in are a whole host of undertakings offered by Berisford, including the admirable promise to co-operate with the authorities in wartime. One runs as follows: "Berisford would ensure that British Sugar would at all times act in the interests of its producers, the farmers." British Sugar and the farmers may share a pre-occupation with beet, but their interests in other ways are diametrically opposed, as prolonged and acrimonious annual contract negotiations have shown only too well.

Then comes what might have been the showstopper. This is a statement from the Minister of Agriculture, Fisheries and Food, "responsible for the general prosperity of the UK sugar industry" and "a major shareholder in the Corporation." However, he "does not consider that he should express an opinion on the nature or the details of the bid." This should not be mistaken for heroic impartiality; it is a cop-out that would have made Pontius Pilate blush.

At the end of the report one member of the Commission adds a curious note of dissent. Noting that British Sugar's production season is short and intense, so that any interruption is extremely damaging, he suggests that its excellent industrial relations record ("efficiency results from a combination of great skill, integrity and mutual trust") could be damaged by the bid. He does not observe that BSC used to have severe industrial relations problems when its wage bargaining period was in the autumn, just before the campaign began. Then its mutually trusting workforce had it over a barrel; now bargaining is done in the spring.

But perhaps the most worrying feature of the report is its apparent retreat from one aspect of competition — the question which ought to lie at the centre of the Commission's work. Like the other sugar merchants whose evidence appears, Berisford has been provoked by BSC's policy of cutting out merchants and selling directly to the customer. Lower prices have gone hand in hand with this policy, and it is perhaps interesting that Berisford suggests that the two members of BSC's board most identified with it "might not wish to remain" after a takeover.

This does not seem to have made the Commission wonder whether Berisford might pursue a less aggressive pricing policy than BSC. It is content to argue that there is no great scope for competition in the sugar market anyway (a view that Tate and Lyle, which has been on the receiving end of BSC's sales push, might dispute).

Dejected

Of course the Commission is hamstrung by the frame of reference set down in law, under which it must decide whether a merger may be expected to operate against the public interest. In the Berisford/BSC case, the Commission comes to the somewhat dejected conclusion that, although it can see no possible benefit in the merger, it cannot honestly identify a threat. So long as the law governing merger policy is in such an unsatisfactory state, the Commission itself can hardly be relied upon to act in the public interest.

Ashes and austerity to beat the wet

GARDENS TODAY

BY ROBIN LANE FOX

GARDENS HAVE never been so wet, and if your soil is like mine, you must be wondering how to drain it. There are two approaches to contain the trouble, you will not be surprised to learn.

One requires a programme of capital spending, a readiness to mop up the mess by throwing pound notes around, plus a belief that it will all improve within two years. The other is more austere. It requires you to give your plants less of what conventional wisdom thinks they enjoy.

It cuts down their consumption and treats them roughly, in order to do them no end of good.

Puritanical

Temperament decides which option you prefer. Though I write on perfumed gardens and glorious colours, I am a puritan when it comes to calculation.

I like to think that my best plants are making a go of it on very little. So while you prepare to petition me with 365 dissenting and rarefied hothouse names, I intend to discuss the second option, which relies on those natural allies of the puritan, grit and ashes.

If you dislike these hard materials, you have to take the other option and try your hand at land drains and underground pipes. They will cost you a fair sum, unless you are keener on digging trenches than I am. The expense will work well and will make some sense of a difficult mass of clay soil.

It will not make the problem easier to handle, but it will stop it from turning into a bog. In smaller spaces, I would prefer to build up, not dig down. And here, the tough diet comes into its own.

Ashes, I assume, will cost you nothing. They are not handsome, but there is a pleasure in piling up any new bed as it all looks so clean and neat.

This March, I have been watching rains ruin my favourite spring flowers, the lovely alpine Saxifrages. I will illustrate the value of ashes with these small alpine plants in mind.

They are only a few inches high but each year will bear up to 50 flowers if you choose the right varieties and give them the drainage which they like. I have never seen them better grown than in a raised bed of ashes which met their precise requirements and suited the owners of nearby open fires.

Perhaps you have noticed how plants will root very strongly if you stand their pots on ashes in a greenhouse or a summer frame. This first alerted me to the possibilities.

My pots of young cuttings spread a very thick mat of roots across their summer base of ashes. If they would do this off their own bat, they ought to do it wherever I wanted it and please my puritan nature.

The recipe is not a new one. Ashes have been valued for their slight traces of suitable fertiliser and, especially when they are old wood ashes, they have been used as top dressing. Equally, their dry beds with sharp drainage are nothing new.

There were days when most alpine gardeners imitated the wild mountainside and built their own small screes at home. These were beds for plants which liked sharp drainage and lived at high altitudes where the rocks fell away into loose stone chippings above a tiny proportion of soil.

In the garden, this practice goes back at least as far as an Austrian monastery of the 1830s where beds were laid out for the local alpine clubs. It took a monk, no doubt, to think of improving his plants by denying them their usual pleasures. In the garden, at least, the idea worked.

It has been less common, however, to link the ashes and these sharply drained scree beds. Yet the best known of Saxifrages I ever knew were flourishing on just such a monkish diet.

In this wet spring, I intend to repeat the remedy for my own unfortunate plants. I will need leaf mould which can be scraped and bagged from any nearby wood, some of my endless heaps of rubble and as many ashes as burners of coal and wood can still afford to create.

The rubble could be a coarse gravel and would go down on to a patch of my clay soil which had been cleaned, poisoned and forked. Next would come a three-inch layer of coarse mould or cheap sedge peat. On top, for a depth of at least a foot-and-a-half, I will pack a very harsh mixture of ashes and rich leaf mould. At least two parts of ashes will go with one of the soil.

There is no need to surface the result with grit, but it will have to be retained with some wooden boarding or a low stone wall. It will give you one of those conveniently raised beds which I write about so warmly. The plants are nearer your eye and the weeds can be removed without breaking your back.

The air circulates freely and there are few draughts.

I dare say that Saxifrages would grow very well in pure ashes, but I would not bet on ashes alone in case we have a dry spell again.

Meanwhile, the leaf-soil is enough to feed them and still give them the rapid drainage which they like. The pink varieties called Cranpune and Jenkins and the white and pale yellow forms of Burseriana are explicit flowers for such a rough bed—while you can rely on any of the newer hybrids offered by the biggest stockist, the Waterperry Horticultural Nurseries, near Wheatley, Oxford.

None flower above two or three inches, but the plants like to spread out into firm cushions of silver-green rosettes. This spring has been lethal for them, but an ash bed will suit them splendidly.

They hate to dry out in summer, so you must water the ashes slightly if the weather holds for a while. They also dislike, too, a bout of direct sunshine in summer. Face your bed to the west and be willing to shade it in the high season.

They pose no other problems, though these need attention. In return, they are ideal for any small garden where space is scarce.

Ashes, of course, would suit many other plants, especially the many varieties with silver leaves which hate to sit in a damp soil out of the growing season. I can imagine a pretty raised bed built round rosemary and blue hisot, silver leaves and many of the thymes which have died back on normal ground in this wet spring.

Critical need

Small irises and campanulas would be just as happy, along with marjoram and the tubular flowers and rough stems of the Aegean omosmas, easy mountain plants which are not well enough known to well-drained gardens.

Drainage, in short, is such a critical need that many plants will tighten their belts in return for it and grow smaller and tougher on their own feet. You can still invest in drains and systems of piping, but for small units, I recommend a harder line. It is cheap and easy.

You can pack more plants into smaller places and please them better when they settle down.

Betting on National 'novelties'

RACING

BY DOMINIC WIGAN

LADBROKES, which remains hopeful of bumper crowds at Aintree in spite of the distinctly sub-standard look about the Sun Grand National, will be betting on at least six "novelty" facets to the outcome of the big race on Saturday.

The company, which has already taken about £100,000 in ante-post bets, will be offering odds on, among other things, the number of finishers, the age of the winner and on any specific group of four to complete the course.

There has been a good response to the bet requiring all four to finish in the various groups nominated and priced by Ladbrokes.

Those believing that that task could be beyond them may prefer to concentrate on the number of finishers bet. On some occasions (as was the case a year ago) undeniable value can be obtained by the backer because of the early afternoon deadline on the preceding day with the national Press over odds offered in Saturday's newspapers.

In 1980 Ladbrokes in particular suffered badly as punters availed themselves of generous odds offered against a single figure total of finishers when it became apparent in earlier races that the ground for the big race would be as heavy as any ever seen at Aintree.

The going, described by Fred Rimell as the worst he had ever known for the race, was the overwhelming factor in an outcome which saw 26 of the 30 runners failing to complete.

Ladbrokes is already betting on whether an English, Irish or Scottish chaser will prove the hero. It is seven to two on an English-trained winner, four to one an Irish one and 13 to two against one from north of the border. They also offer odds of 11 to four against an amateur proving successful.

CATTERICK

2.45—Pitter Pat
3.15—Magnolia Lad*
3.45—Record Review**
4.15—Fata Morgana
4.45—Jinja***

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (ultra high frequency only). 9.35 For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45 Trumpton. 2.01 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Winsome Witch. 4.25 Jackanory. 4.40 Take Hart. 5.00 John Craven's Newsround. 5.05 The Basthorpe Saga. 5.35 Fred Basset.

5.40 News.
5.55 Regional News Magazines and Nationwide.
6.20 Nationwide.
6.55 Triangle.
7.20 Wednesday Film: "Take The High Ground" starring Richard Widmark.
9.00 Party Political Broadcast on behalf of The Conservative Party.
9.05 News.
9.30 Sportsnight.
10.20 Are We Being Served?
10.58 News Headlines.
11.00 Parkinson.

All Regions as BBC 1 except as follows:

Cymru/Wales—10.30-10.50 am I Ysgolion: Daearyddiaeth. 11.02-11.22 I Ysgolion: Ffenestri. 1.45-2.01 pm Mister Men. 2.18-2.38 I Ysgolion: Hyn O Fyd. 5.05-5.35 Break in the Sun. 5.55-6.20 Wales Today. 6.55 Heddiw. 7.20 The Centenary Rugby Quiz. 7.50 Triangle. 8.15-9.00 Some Mothers Do 'Ave 'Em. 12.05 am News and Weather for Wales.

Scotland—12.40-12.45 am The Scottish News. 5.55-6.20 Reporting Scotland. 12.05 am News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.05 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
10.20 Gharbar.
11.00 Play School.
4.50 pm Open University.
6.55 The Master Game.
7.25 Mid-Evening News.
7.35 Open Door.
8.05 Muggeridge: Ancient and Modern.
9.00 Rhoda.
9.25 The Life and Times of David Lloyd George.
10.25 Tex Avery Double-Bill.
10.40 A Party Political Broadcast on behalf of The Conservative Party.
10.45 Newsnight.

BBC 2 Scotland only—1.15-1.45 pm Cearcall.

LONDON

9.30 am Schools Programmes. 12.00 The Munch Bunch. 12.10 pm Rainbow. 12.30 About Britain. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 Project UFO. 3.45 Food, Wine and Friends. 4.15 Dr. Snuggles. 4.20 Whizz Kids Guide. 4.45 Echoes of Louisa. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Coronation Street.
7.30 The League Cup Final Replay: Liverpool v. West Ham from Villa Park, Birmingham.
10.00 Party Political Broadcast by the Conservative Party.
10.05 News.
10.35 1981 Academy Awards.
12.15 am Close: "Sit Up and Listen" with Lord Rawlinson of Ewell.

All IBA Regions as London except at the following times:—

ANGLIA

1.20 pm Anglia News. 2.45 Story Hour. 6.00 About Anglia. 12.15 am The Big Question—The team debate the difference between superstition and belief.

ATV

1.20 pm ATV News. 2.45 Sky In Concert. 5.15 Survival. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 12.15 am ATV News.

BORDER

1.20 pm Border News. 2.45 The Love Boat. 5.15 University Challenge. 6.00 Lookaround Wednesday. 12.15 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where and Weather. 2.45 Star Parade (Boney M). 5.15 University Challenge. 6.00 Channel Report. 10.00 Vision U.S.A. 10.33 Channel Late News. 12.15 am News and Weather in French followed by Epilogue.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 2.45 The Love Boat. 5.15 Diff'rent Strokes. 6.00 North Tonight. 7.30 Feature Film: "The Robe," starring Richard Burton, Jean Simmons, Victor Mature and Michael Rennie. 10.35 Sounds Gaelic—Alasdair Gillies presents music and sing with a Gaelic flavour. 11.05 Scotsport Special. 12.20 am Barney Miller. 12.35 North Headlines.

GRANADA

1.20 pm Granada Reports. 2.00 Live From Two. 2.50 Family. 5.15 Welcome Back, Kotter. 6.00 Granada Reports. 6.25 This is Your Right. 12.15 am After All That, This.

HTV

1.20 pm HTV News. 2.00 Houseparty. 2.25 "The Court Jester," starring Danny Kaye, Glynis Johns and Basil Rathbone. 5.15 Dick Tracy. 5.20 Crossroads. 6.00 Report West. 6.30 A Stick and a String. 10.33 HTV News. 10.35 "Countess Dracula," starring Ingrid Pitt.

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Ffalabalam. 4.15-4.20 Chaser on the Rocks. 4.45-5.15 Sreeon Y Byd. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35 Heddiw A Ddilyn Ddoe. 11.20-12.10 am Academy Awards.

SCOTTISH

1.20 pm News Headlines and Road and Weather Report. 2.45 Certain Women. 5.15 Pet Subject. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Toye's Talk Back. 6.30 Weir's Way. 7.00 Coronation Street. 7.30 Feature Film: "Kelly's Heroes," starring Clint Eastwood, Donald Sutherland and Telly Savalas. 10.35 Billie Jo Spears from the Playhouse Theatre, Edinburgh. 11.05 Scotsport Special. 12.20 am Late Call.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 2.25 Celebrity Concert (Engelbert Humperdinck). 3.15 Life Begins At Forty. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day By Day. 6.35 Scene Midweek (South-East area only). 10.40 Tenspeed and Brown Shoe.

TYNE TEES

9.20 am The Good Word. 9.25 North-East News. 1.20 pm North-East News. 1.25 Where the Jobs Are. 2.45 Young Ramsey. 3.15 In Loving Memory. 5.15 That's Hollywood. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life—local events with Tom Coyne. 10.35 North-East News. 10.37 Quincy. 11.30 Camera—Moving Pictures. 12.00 The Family Prayer.

ULSTER

1.20 pm Lunchtime. 2.45 It's A Musical World with David Gates. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.34 Ulster Weather. 12.15 am Bed-time.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.45 Star Parade (Boney M). 5.15 University Challenge. 6.00 Westward Diary. 10.38 Westward Late News. 12.15 am Faith for Life. 12.20 West Coutnry Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 2.45 It's A Musical World (introduced by Tony Hatch and Jackie Trent, with David Gates). 5.15 Diff'rent Strokes. 6.00 Calendar (Emley Moor and Belmont editions).

(S) Stereophonic broadcast.
‡ Medium Wave only.

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Steve Wright. 4.30 Peter Powell. 7.00 Radio 1 Mailbag. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

VHF Radios 1 and 2—5.00 am With Radio 2. 8.00 pm Listen To The Band (S). 8.30 Alan Dell with Dance Band Days (S). 9.00 The Songwriters (S). 9.55 Sports Desk. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am Bob Kilbey (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 David Hamilton (S). 2.00 Ed Stewart's Request Show (S). 4.00 Much More Music with David Symonds (S). 6.00 John Dunn (S). 7.30 League Cup Soccer Special: Liverpool v. West Ham United. 9.30 The Songwriters (S) (joins VHF). 9.55 Sports Desk. 10.00 Test Match Special: West Indies v. England from St. John's, Antigua. 10.30 Robin Day says Be My Guest. 11.00 Brian Matthew with Round Midnight, including 12.00 News. 2.00-5.00 am You And The Night And The Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice (S). 8.00 News. 8.05 Your Midweek Choice (continued). 9.00 News. 9.05 This Week's Composer: Delius (S). 9.45 Music for Organ (S). 10.15 The Sublime to the Ridiculous (S). 10.55 Beethoven recital (S). 11.40 Midday Concert, part 1: Bliss, Delius (S). 12.15 pm The Ones That Got Away (S). 12.20 Midday Concert, part 2: Vaughan Williams (S). 1.00 News. 1.05 Concert Hall (S). 2.00 Music Weekly (S). 2.55 Test Match Special (Cricket: Fourth Test, West Indies v. England). 5.05 Mainly For Pleasure (S) (joining VHF). 7.00 Novitiate (short story). 7.30 Berlioz Festival. Berlioz's Dramatic Symphony: Romeo and Juliet from the Royal Albert Hall, London, parts 1 and 2 (S). 8.35 Six Continents. 8.55 Berlioz Festival: Romeo and Juliet, part 3 (S). 9.45 The Snailwatcher (short story). 10.00 Music In Our Time (S). 11.00 News. 11.05 Piano Nocturne (S). 11.15-11.30 Test Match Special (review of the day's play).

VHF with Medium Wave except as follows: 6.55-6.55 am Open University. 2.55 pm A Minstrel's Way (S). 3.35 BBC Northern Symphony Orchestra (S). 4.55 News. 58.00-6.05 Mainly For Pleasure (S). 11.15-12.35 am Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-Week: Russell Harty's People. 10.00 News. 10.02 Gardeners' Question Time visits Hertfordshire. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Baker's Dozen. 12.00 News. 12.02 pm You And Yours. 12.27 A Murder of Quality. 12.55 Weather; Programme News. 1.00 The World At One. 1.35 Party Political Broadcast by the Conservative Party. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 3.50 Zoo Talk. 4.00 Choral Evensong (S). 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Richard Stilgoe's Grand National Traffic Jam Show (S). 7.45 Spring Gardening. 8.30 File On 4. 9.15 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Lord of the Rings by J. R. R. Tolkein (S). 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Tony Fish Total Music Show. 2.30 Tony Blackburn. 5.00 News. 5.15 Music On The Move. 6.33 The Name of the Game . . . The Grand National. 7.03 Black Londoners. 8.00 As Radio 1. 10.00 Question Time from The House of Commons. 11.00-5.00 am Join Radio 2.

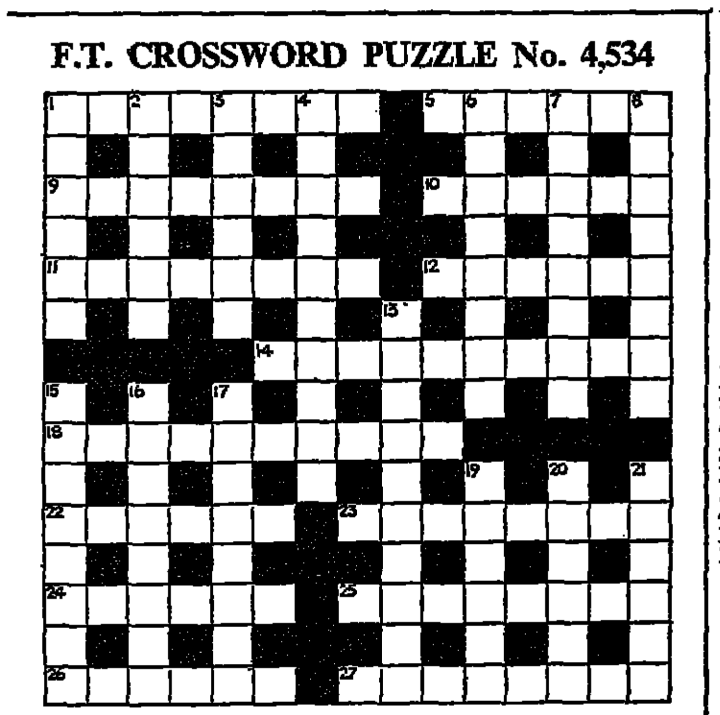
London Broadcasting

6.00 am AM—Douglas Moffitt and Alan Clark. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life (includes feature on Jazz). 9.00 Mike Dickin's Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 Network. 5.00 Morning Music.

Capital Radio

6.30 am John Sachs's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Nicky Horne. 1.00 First Report. 1.10 Nicky Horne (continued). 3.00 Roger Scott. 7.00 London Tonight. 9.00 Peter Young (rock music). 11.00 Tony Myatt's Late Show. 2.00 am Richard Allinson's Night Flight.

F.T. CROSSWORD PUZZLE No. 4,534



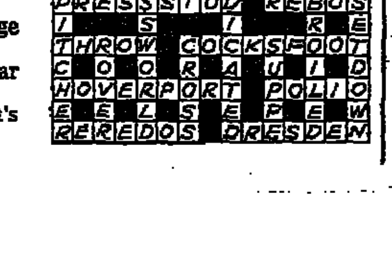
ACROSS

1 Dance with bird and water-controller (8)
5 Changed the rim for an isolated person (6)
9 Good-looking worker gets two notes out of sequence (8)
10 Pose in the distance (6)
11 Mains on a line initially but not always available (8)
12 Building a framework (6)
14 Dilapidated sheep's comb (10)
18 Hire candle designed to provide a source of light (10)
22 Going out for the second book (6)
23 Silver in starry setting making a moulding around column (8)
24 Soldier in vehicle reversing could be disastrous (6)
25 Remaining abandoned and finished (8)
26 Soft ridge of rocks to give as security (6)
27 Began accepting direction but was surprised (8)

DOWN

1 He must appear in the most excellent command (6)
2 Arrive with gold in carriage (6)
3 A tax on goods in regular business (6)
4 Draw near a board that's accessible (4-2-4)
6 Additional hand, useful at Lord's (5, 3)
7 Plant common soldier and a bird . . . (8)
8 . . . in plate for a sapper? (8)
13 What the income-tax inspector sends, fools people in a way (10)
15 Ship's company stop outside for what may be a bottleneck (5-3)
16 The cost of transport for mischievous fellow on time (8)
17 Citing copper turning up in addition (8)
19 A decrepit old car right to make a hole in the road (6)
20 Like a pointed arch, go up over broken vial (6)
21 Richly ornamental lid for a change (6)

Solution to Puzzle No. 4,533



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. S. 836 3161. CC. 240 5258.

THEATRES

OLD VIC. 928 7616. CC 261 1821.

THEATRES

WINDMILL. CC. 01-437 6312.

THEATRES

CINEMAS

ART GALLERIES

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

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THE ARTS

Television

No time for the arts by CHRIS DUNKLEY

Three weeks ago, writing in this column of the need to maintain the buying power of the licence fee if the ethos of BBC programme making was not to be lost, I said that although the corporation was not the be-all and end-all of British broadcasting, it was the first source, still the backbone, and still the exemplar. The BBC's extraordinary feat in winning 14 of BAFTA's 16 major television awards last week seems to bear out that claim.

Yet there is one area in which they are failing and the failure is reaching the proportions of a scandal. Unless something is done pretty soon the BBC will risk losing the concern and the support of some of its keenest, most faithful and more influential friends. That area is, broadly speaking, the area covered by this very page, theatre, dance, music, radio, painting, records, sculpture, architecture, opera and so on.

Reading that list perhaps your eyebrows rise in surprise as you think of all the drama on BBC television ranging from last night's play, *Bavarian Night*, to last week's peculiar 10-minute cartoon version of the Greek legend *Icarus*; and of the broad spectrum of music on offer in the current week alone. from Saturday's very pretty production of *La Traviata* brought in live by satellite from New York to BBC1's *Top of the Pops* and even some rare jazz (after a fashion) on BBC2 tomorrow in the Danish programme *Jazz on a Bright Summer's Day*.

It is not, however, in terms of performance that I suggest the BBC is falling down, whether it be a question of relaying other people's work or originating their own. What is so appallingly lacking is coverage of current events in the arts and discussion of those events and of the arts themselves. What BBC television is entirely lacking on both channels is a regular programme comparable to ITV's *South Bank Show*.

Of course the *South Bank Show* itself is not always beyond reproach. It was dispiriting to find editor Melvyn Bragg recently allowing it to be used as the spearhead of a remarkably successful promotion campaign for the film *The Mirror Crack'd*: Edward Fox puffed it on *Friday Night, Saturday Morning*, Kim Novak did her bit on *Parkinson*, and Elizabeth Taylor must have had about half an hour on the *South Bank Show*.

Yet Bragg now gets his approach right far more often than not. He is exploiting television in precisely those areas where it has the edge over other mass media: using it to illustrate the subject in ways quite impossible in books or papers, then immediately discussing the subject analytically, usually with the artist, quite often critically.

Last Sunday he showed us Howard Hodgkin's paintings (and producer / director Nigel Wattis rose into a class of his own in the televising of art by *always* illustrating the whole work before editorialising with detail) then talked to Hodgkin in just those non-sycophantic tones that were missing from television's arts programmes for so long. "The paintings are often entitled with people's names; why don't they look like them?" asked Bragg.

Such an approach, assiduously carried through other disciplines—opera, Broadway musicals, the novel, even poetry (however boringly), cinema and so on—should be forcing the BBC to look to its laurels. If the corporation still values its image as world leader in quality programme making, then it must set about creating such a programme straight away.

The need is especially acute because of the perverse determination of the news programmes (other than the late night *Newsnight* on BBC2) never to appoint even a single reporter to cover the entire world of mankind's artistic endeavour, and to exclude from their programmes anything remotely connected with such footling subjects as drama, literature, or music unless there is some involvement with large sums of money—preferably the loss of such sums.

It may be claimed that I am simply ignoring the existence of a whole string of BBC programmes which, taken together, do fulfil the requirements described above. While admitting that there is, indeed, no regular programme to deal with theatre, dance, jazz, poetry, radio, classical music, sculpture, opera, the Press or painting A BBC Spokesman might point out indignantly that rock music is discussed (if desultorily) on *The Old Grey Whistle Test*, that books receive quite serious attention from *The Book Programme* and even feature as a last resort on *All About Books*, that films are covered by *Film 81* and *Cinema*, and television itself by *Did You See?*

But there are two things to be said about those series. First much of the time many of them are not on, so that often when a book is published or a film premiered which you would particularly like to see discussed the relevant programme is "resting." Second, even when they are on they lack rigour. They tend to be far more concerned with assertion, exposition, lyricism and celebration than with comparison, analysis, or criticism let alone ridicule even in sparing quantities.

There are exceptions. Once in a while *The Book Programme* or (now it has its second wind) *Did You See?* will produce moments of refreshing astringency or wild enthusiasm. Barry Norman, surprisingly but pleasingly given the Richard Dimbleby Award by BAFTA, seems immune to the Wardour Street blackmail which has bedevilled so much of television's film coverage. Yet the furthest that most of these series manage to go is bovine curiosity.

Even as I write that, however, I seem to hear screaming from Shepherds Bush. The words "What about *Arena?*" and "Who do you think won the BAFTA award for The Best Programme Without Category?" come whining plaintively down the wind.

Omnibus did indeed win that award—on the basis of one programme from last season's collection I assume. Had the jury been made to watch all 10 new programmes in the present season I trust they would promptly have taken it back. Whatever *Omnibus* may have been in its heyday it is today an ad hoc jumble of most dreadfully indulgent documentaries from all sorts of sources inside and outside the BBC.

Just two of these 10 have been up to the standard we expect from *Omnibus*: last week's by John Read about the architect Norman Foster (though a single inquiry to a user of one of his superb looking buildings might have improved the tone of unquestioning adulation) and Vanya Kewley's excellent and timely, if ludicrously censored, film about ballet dancer Lynn Seymour, *When The Dancing Had To Stop*.

The other eight comprised an over-long account of an American feminist sculpture/embroidery which might have been more at home in a political series, a wasted opportunity to look systematically at a gift of a subject — television commercials, a confused and callow attempt to deal with freedom of expression, an old-fashioned soft-centred biopic on designer James Gardner, a heavily stylised account of an American department store, an over-intense study of Punch and Judy, a rambling and near incoherent film about Stevie Wonder, and last night's amusing rag-bag of theatrical anecdotes which had no ambition to rise above the Reader's Digest level of "My Most Memorable Moment."

The notion of accumulating weirdly idiosyncratic one-off documentaries from all sorts of people on subjects very broadly connected with the more esoteric realms of the arts made and still makes some sort of sense for *Arena*, the relative newcomer on the alternative channel (though not all the episodes in their current series have managed to sustain previous standards). But to have *Omnibus* doing virtually the same thing even if closer to the mainstream of culture makes very little sense at all.

Mention of the mainstream brings us to what is presumably the primary reason for the absence of the series I want: the disastrous nature of *Mainstream*, the BBC's last attempt at such a programme. Wariness after a failure like that is understandable enough, and of course the next attempt must not forget the lessons learned—but the next attempt is now overdue.

If it is right (and it is) for BBC Radio to run six regular programmes of this sort each week, 52 weeks a year—*Kaleidoscope* on week nights and *Critics' Forum* at week-ends—it cannot possibly be right for BBC Television with moving pictures as well as sound to have none.

Lynn Seymour in When the Dancing Had to Stop

Covent Garden

Bergonzi

by MAX LOPPERT

This is Carlo Bergonzi's 30th season of performance as a tenor (before 1951, of course, his appearances were in baritone roles). Monday night's Covent Garden recital, together with the forthcoming *Elisir d'amore* revival, represent the London contribution to the celebrations.

Justly, he is a London favourite of long-standing; so this was a noisily enthusiastic occasion, short on musical time (though encores at the end bumped up the actual total of minutes), long on applause, and warmed by the singer's uncomplicated good humour, his infectiously frank manner of soliciting with eyes, hands, and whole demeanour an audience's involvement. The programme was of a likely kind — all in Italian, apart from two French operatic airs (from *Le Roi d'Ys* and *La Juive*), sung in a very Italianate but also very communicative brand of French; and all songs from the precisely charted repertory of the Italian operatic tenor in recital. "Amarilli," "Già il sole del Gange," Rossini's *La danza*, *romanza* by Denza and Tosti . . . it was a programme that Gigli and Schipa might well have presented many times, without change of a single item.

And to be relished, unpatronisingly, in the traditional way—as above all a showcase for an admired singer. The voice stood up marvellously well to the test of such close scrutiny, as indeed it has to the passage of time. Low notes are dry now, and the highest have to be managed with a care more perceptible than formerly: but the uniquely flowing, ingratiating style, the touches of sweetness, the reserves of strength—all were there as remembered. Bergonzi's reputation also rests on matters of style, on the preservation of fine vocal manners. That was not quite so readily evidenced. Aspirates regularly flecked the line: the sobs and emotional exclamation marks introduced into Federico's lament (from Cilea's *L'arlesiana*) were the vocal equivalent of his movements to the very front of the platform, to seize the audience by the scruff.

What I particularly delighted in were the songs streaked with extrovert good humour—Buzzi-Peccia's "Lolita" (done with splendid rhythmic gusto) Verdi's "Stornello," Tosti's "Aprile" (Tosti songs are always rewarding in bulk). It is clear that there is a streak of buttonholing, high-spirited comedy in this singer's make-up, a gift too little employed by the Italian tenor repertory (but no doubt to be put to good use in the forthcoming Nemorino). The pianist was Edoardo Müller wholly reliable if excessively reticent in the earlier stages of the evening (and burdened by a not very rewarding instrument); this was not the sort of audience to listen patiently to piano postludes of any length or kind.

Festival Hall

Zukerman

Pinchas Zukerman appeared in three roles with the English Chamber Orchestra on Monday. We know his doubling as conductor and violin soloist by now, and to it for this occasion he added violist as well. This economical arrangement has obvious attractions for the orchestra, and Zukerman is a very fine string player who adapts more convincingly and idiomatically to the viola than almost any other violinist one could name. But there is always a danger of sameness when so much is willed to a single interpreter, and much of the programme demonstrated this.

As a conductor Zukerman does the expected mechanical things efficiently and well. At the end of a tour with the ECO he still extracted impeccable ensemble, crisply chorded, sweetly tuned. But he does not trouble to illuminate what he could, nor always drive his players as hard as he should. There was a suspicion that Monday's programme had been chosen to play down these shortcomings. Stravinsky's Concerto in D is one of the driest of his 1940s essays in neoclassicism, demanding little more than the carefully tailored phrasing and scrupulously tended rhythms that Zukerman provided, save perhaps more bite in some of the less guarded string attacks. Haydn's B flat symphony no. 85 ("La Reine") was suave and shapely, but made it difficult to believe that its composer could ever have written anything that would qualify as *Sturm und Drang*.

In the two concerted works, however, Mozart's A major violin concerto and Hindemith's *Trauermusik*, the lack of a more forceful musical personality as counterbalance to Zukerman's sweetness was keenly felt. The violin concerto lost any urgency after the soloist's cloying Adagio interlude in the first movement, and the finale summoned up little vigour even for the stormier interludes. Hindemith's elegy on the death of George V confines the viola solo to second place. But does the work fall away quite as abruptly (the first movement is well sustained) as Zukerman's account suggested? We know Hindemith wrote the piece to order in a single six-hour span, but at the end was he really in so much of a hurry to have his tea?

ANDREW CLEMENTS

Theâtre musical de Paris

Cendrillon by RONALD CRICHTON

As part of a survey of 19th century French opera, the TMP at the Châtelet is presenting Massenet's *Cendrillon* in the National Arts Centre staging made for the Ottawa Festival of 1979. Brian Macdonald's production, Henry Bardon's sets and the costumes of Suzanne Mess—to say nothing of most of the soloists—have crossed the Atlantic for the occasion. *Cendrillon* was based by Massenet's librettist Henri Cain directly on Perrault's fairy-tale. The tone is straightforwardly romantic—a prologue in which the chief characters formally and half-ironically introduce themselves was cut before the first performance in 1899. This was conceivably a mistake—a little distancing would have done no harm. Cain's adaptation is perfectly competent but his language is uninspired, and Massenet's unfailing knack of setting words clearly and naturally does nothing to disguise the fact.

Musically the score is a pleasure. There is 17th century pastiche so deftly handled that it flicks past before one can start picking holes, a Rossinian lightness in the comic scenes and palace ensembles (but quite unlike the tone of Rossini's Cinderella opera, *La cenerentola* and a family likeness in feeling and texture to the Chaikovsky ballets, especially to *The Sleeping Beauty*, nine years *Cendrillon's* senior. Best of all is the fairy music. in the royal line between Mendelssohn's wood near Athens and Ravel's *Mother Goose*. In the scene beneath the fairy's oak where Cinderella and her prince seek for one another and are united in dream after he has symbolically hung his bleeding heart on the tree, there is a note of genuine if discreet sexual passion which Massenet skilfully keeps in style with the rest.

The sets are an anthology of Bardon's gift for re-animating the past — painted cloths with the old tricks of imitation and illusion tactfully used and strongly composed (only the clumsy chandeliers in the palace scene strike a discordant note). There are other valid ways of staging such an opera but the art with which this evocation has been performed deserves a nod of recognition. Against the traditional background Macdonald wisely keeps the action flowing unobtrusively. The dancing (he is his own choreographer) is mediocre (a pity, since the ballet music is rather good) and Macdonald forces the tone of the comic scenes for the stepmother Madame de la Haltière and Cinderella's sisters—the two latter, though played by French artists, fall too easily into the English pantomime mould.

Two senior Canadian artists, Maureen Forrester and Louis Quilico, are the stepmother and her husband Pandolfe, Cendrillon's father, a role made for Massenet's favourite baritone Fugère. She is strong, faultlessly clear in diction, a little over-emphatic. He sings with steady, undiminished volume, without much light and shade or facial expression. Cendrillon on the first night was the American soprano Faith Esham, to be heard in *Figaro* this summer at Glyndebourne, clearly a singer of charm and sweetness, not quite forthcoming enough at this performance.

The Prince was Delia Wallis, a mezzo whose London appearances are remembered with pleasure. There is a trace of quick vibrato in the tone, but Miss Wallis is an intelligent, distinctive performer, and she looks like an idealised, romantic Hamlet. Anyone doubting the unwisdom of CBS, in their otherwise excellent recording of the opera, casting a tenor in this breeches role, should hurry to the Châtelet. The Fairy, as in the recording, was Ruth Welting, not quite so melting in the theatre, but true and golden at the top. There is a second cast—Karen Hunt, Sylvia Lindenstrand and Anne-Marie Rodde—for the three leading roles.

Jacques Delacôte is the able conductor—the score of *Cendrillon* is intricate as well as rewarding. The Colonne Orchestra came a little above, the unnamed chorus a little below, the sound Volksoper standard which is presumably what the TMP aims at. The nice, cosy, un-dressy, un-snobby audience enjoyed itself hugely. The upper reaches gave Bardon's first set a warm round of applause, only to be shushed by superior persons lower down. Roland Petit's Ballet de Marseille comes next, followed in May by Cavalli's *Ercole amante* in a Lyon production with orchestra and some soloists from the English Bach Festival, then Vivaldi's *Orlando furioso* in an Italian production and (end of May and June) the Toulouse-Bordeaux Offenbach *Grande Duchesse* with Crespin.

Tricycle, Kilburn

What's Got Into You?

by MICHAEL COVENEY

The Tricycle is proving itself a useful London stop-off for modest touring outfits, thereby reflecting the general humdrum of activity. Monday's sparse audience was passably entertained by Elaine Morgan's new comedy, a two-hander performed by the Cardiff-based group, Bag and Baggage. It was not brilliant theatre. In fact, the piece could be done just as well on radio.

Miss Morgan is best known through her television work, notably *Testament of Youth* and the current *Lloyd George*. This show, however, eschews the large-scale and settles for pinning down a lower-middle class marriage in the Valleys which, after five years of the comparative good life, is challenged by Eira's two-month pregnancy.

We first see Eira setting a trap for Bryn's return from the international rugby match in Paris, laden with beer and crisps and all set for a night in front of the box with his mates. Even worse, he got no closer to the action than a hotel television. The argument progresses by a series of schematically organised discussion points, the first and most crucial of which is that Eira's mother will no longer be available to help out as her other daughter has suddenly acquired the status of one-parent family.

Although Bryn is written as an implausible bore, Glynn Sweet invests him was an admirable variety of expression. He trots out the old saws about women being illogical victims of their own hormones and wanting babies only to amuse themselves. Eira (Nina Holloway) wants the child and fights for it by isolating the fallacies in Bryn's economic arguments. Although the play wanders a bit and ends inconclusively, the writing, line by line, is accurate and funny. Christopher Denys's production maintains interest without raising the blood pressure.

May 1 opening for New Orleans Jazz Festival

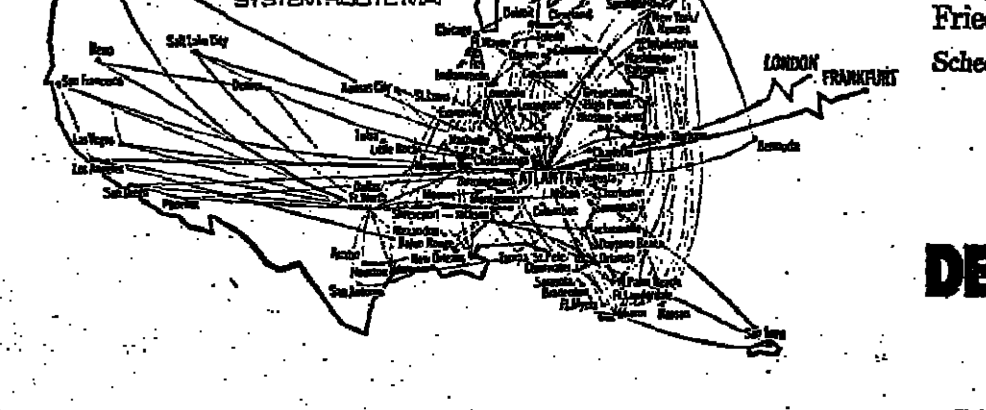
The New Orleans Jazz and Heritage Festival opens on May 1 and among those appearing for the first time are James Brown, Betty Carter, Cab Calloway and Nancy Wilson.

Now in its twelfth year, the festival comprises evening concerts plus two weekends on the grassy infield of the Fair Grounds Race Track, May 1, 2 and 3 and May 9 and 10. Here multiple stages offer jazz, rhythm and blues, gospel, Cajun, folk, blues, Latin, bluegrass, country and western, etc.

Geoffrey Faber Memorial Prize

The 1981 Geoffrey Faber Memorial Prize (£500) has been awarded to J. M. Coetzee for his novel *Waiting for the Barbarians*, published by Secker and Warburg.

The 1981 judges were Hermione Lee (nominated by The Observer), John Braine (nominated by the Sunday Telegraph) and Martin Seymour-Smith (nominated by the Financial Times).



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The lesson of a near miss

WHEN RONALD REAGAN was elected U.S. President last November he embodied a pronounced shift in the attitude of the American people. He represented a return to the values of the Eisenhower presidency—sound money and unfettered capitalism at home, a stout stand against encroaching communism abroad, and restored national pride overall.

The change in the style and aims of U.S. Government to which the rest of the world, and particularly America's allies, have been asked to adapt has therefore proved particularly far reaching. The U.S. constitution ensures every four years that the changing of the entire presidential guard disrupts the foreign policy of America's allies. But this time the extent of the change — and the contradictory voices coming out of Washington as the new administration has reconciled its ideals with *realpolitik* — has caused an abnormally long period of disorientation.

NATO integrity

Suddenly, in mid-adjustment, a bullet fired by a psychologically disturbed man came within inches of ending not only the President's life but also some of the new policy directions which he represents. A slightly more accurate shot might have caused a smooth transition of power to Vice-President Bush. But it would very probably have plunged the power structure and the policies of the new U.S. Government back into uncertainty—and at a time when events in Poland render East-West relations unusually unstable and the integrity of NATO particularly important.

As it happens, Mr. John Warnock Hinckley Jr. missed. The President's courage under fire has probably re-inforced the hold which he, and everything he stands for, have over the American electorate.

This twist of fate, of such significance to so many countries, must surely clinch the case against the laxity of the gun laws which makes it so easy for any American to take a pot-shot at his President. It is hard to understand how America and her allies can have such different perceptions

The upsurge in violent crime is the most perturbing aspect of American society today. As a result of a clear upward trend in the crime statistics since 1976 there is now one murder in the U.S. every 25 minutes, half of which are committed with handguns. The U.S. system of justice is overwhelmed to the point where only one in every 10 murder cases leads to a murder conviction.

There are 55m handguns in circulation in the U.S. and the public is allowed to buy more at the rate of some 2m a year. In spite of crime statistics and a solid instinct which tells us that easy access to handguns must increase the mortality rate arising from crime, the American Congress remains persuaded that "people kill, not guns" and that "if guns are outlawed only outlaws will carry guns."

The reasons for the crime wave and the question whether these include inadequate gun control, are not of direct relevance to Monday's attempted assassination. The majority of U.S. politicians and celebrities whose lives have been threatened or taken in recent years have been attacked not by criminals but by deranged people who have acquired lethal potential through use of a handgun.

Bobby Kennedy, George Wallace, Gerald Ford, John Lennon, Ronald Reagan—the list of attacks by the emotionally disturbed is longer than that of cases, like John Kennedy and Martin Luther King where a hired killer may possibly have been involved. It may be true that no gun control would keep a rifle out of the hands of a determined assassin. It is hard to believe that gun control would not reduce the danger to famous lives posed by the emotionally unstable.

Outrage

The hardened pundits in Washington have seen a flurry of gun control outrage after each assassination attempt and have always watched it fade away. What chance, they say, has a new outcry against a Republican, middle-American administration led by a President who quips that he "forgot to duck" even as he is wheeled into surgery?

American citizens, crying "Oh no, not again" at news of this latest near-fatal shot, must be made to realise that restrictions on the ownership of handguns can have more real impact on this problem than all their cumulative shame about the rise of violent crime in the U.S. Nor would it be an unwarranted intrusion for America's allies to say as much. The safety of the American leadership, and of the U.S. President in particular, is of much more than national importance.

Time to leave BNOC alone

THE CABINET'S vacillation about the future of the British National Oil Corporation, whose "privatisation" has now been put in abeyance for the second time in two years, illustrates more strikingly than almost any other issue the difficulty which Ministers have experienced in reconciling the ideological and the pragmatic strains in their manifesto promises. After the Government's announcement last Thursday that the Petroleum and Continental Shelf Bill is to be dropped from the legislative programme for this parliamentary session, there is now no serious prospect that BNOC will be sold, either wholly or in large part, to the private sector.

Although the Energy Department has promised to reintroduce the Bill in the next Parliamentary session, the complexity of renegotiating BNOC's operating agreements would almost certainly delay any possibility of selling shares for anything up to a year after the legislation is passed. By that time, the imminence of the general election would enable, and perhaps even force, the Labour Opposition to sabotage any share offer by threatening re-nationalisation.

Disappointment

There can be little doubt that the Government realises this and that the decision to withdraw the Bill is, in effect, a victory for those Ministers who have been vigorously supporting the preservation of BNOC as a public sector enterprise. For those Conservatives who had hoped that the radicalism of the Thatcher Government would result in a major change in the balance between Britain's private and public sectors, the decision to retain a national oil company must be a disappointment.

Of all the major nationalised industries, BNOC appeared before the last general election to be the most suitable candidate for rapid privatisation. Its sale would have been popular with investors and could have raised very large sums of money to help with the Government's financing problems. The nature of its main business did not automatically require government supervision of the type that is inevitable for monopoly utilities such as gas, electricity or telecommunications. Most strikingly, perhaps, its success in exploring the North Sea and its growing profitability in a competitive business seemed to be attributable to entrepreneurial qualities in its management as fell as to the special privileges granted to it by the Labour Government. In all these ways, it did not, from the point of view of Conservative ideology, have any natural place in the public sector.

From the different perspective of a government in office, however, these same arugments have been stood on their heads to justify the preservation in its present form of a corporation which had become a major national asset. Once the Government had stripped BNOC of its special privileges, the chorus of complaints about its existence from other oil exploration companies died down. There was no evidence that BNOC was doing better or worse than its competitors as a result of its relationship with government. The increase in oil prices caused the Treasury, as well as the British public, to question the advantages of asset disposals which would deprive the Treasury of BNOC's future earnings. Meanwhile the Foreign Office mounted a strong campaign in support of the dubious principle that Britain needs a state-owned oil company because oil producing states prefer dealing with government agencies rather than private multinationals.

These arguments would not add up to a case for creating a national oil company if one did not already exist. We would have welcomed a viable privatisation plan if the Government had produced one.

Experiments

Ministers must give BNOC a period of stability and they must turn their own minds to more pressing matters, of which there are many relating to energy policy and to the control of the nationalised monopolies. If they wish to fulfil election promises Ministries can consider selling oil bonds or other financial experiments. But they should say, once and for all, that they have no further intention of introducing legislation to change the ownership of BNOC.

AFTER THE SHOOTINGS

The trauma of a wet Washington Monday afternoon demonstrated both the vulnerability and the stability of the system

By Jurek Martin in Washington

ALEXANDER HAIG
Copybook blotted again

PRESIDENT REAGAN
A new position of strength

GEORGE BUSH
Leadership opportunity

IT IS very hard to look forward and ask what next when the mind wants to look back and ask why.

Yet a new element of potentially great significance has been introduced into American politics and society. A country in dire need of heroes has found one and he is the President of the United States.

Ronald Reagan's coolness, courage and, above all, humour after his brush with death from the assassin's bullet is the stuff of which legends are made. The old cowboy actually did behave like John Wayne, the quintessential Western hero.

Wheeled from the operating room, he wrote down on a scrap of paper the immortal W. C. Fields line, "All in all, I'd rather be in Philadelphia." He hoped his doctors were all good Republicans and told his wife "Honey, I forgot to duck."

With these words, Ronald Reagan has made himself, for perhaps a very long time, politically untouchable. He has done so in circumstances of near national tragedy and at a time when the honeymoon of the first weeks of his presidency was wearing thin and the members of his Government were squabbling publicly among themselves.

It is, therefore, legitimate to put the case that the controversial programmes which he has advocated at home and abroad and whose enactment was many long months from being assured, are now wrapped in the aura of his own undeniably enhanced stature.

This case has a historical precedent: President Lyndon Johnson was able to pass into law his Great Society programmes, equally as far-reaching as Mr. Reagan's economic, governmental and social package, in the year succeeding the death of President Kennedy, who had been enjoying much less luck in carrying both politicians and the public with him.

Today, it will be much harder for the opponents of Mr. Reagan's policies to tear them apart. Attempts may be made to isolate the real architects, like David Stockman, the Budget Director, and James Watt, the Interior Secretary. But it may only require a recovered President to go to Congress, where his reception will be rapturous, and say, in his inimitable "aw shucks" manner, "Gee fellers, do what I ask," and it would be a brave politician who would stand in his path. If he goes over the head of the legislature to the people, then few will deny him.

His government, therefore may have been made more effective by the very fact of nearly being left leaderless. Yet the events of the last 24 hours, more graphically etched in the memory by searing, comprehensive television coverage, also raise questions about his government, its leading members and the nature of American society.

The trauma of a wet Washington Monday afternoon demonstrated both the vulnerability and the stability of the system.

America did not need reminding again that its presidents are forever exposed to danger: that it can happen so gratuitously, so senselessly, so randomly induces an appalling sense of *déja vu* and endless heart searching about violence, the easy availability of weapons and the impossibility of keeping anybody, even a president, forever wrapped in a protective cocoon.

Obviously, somebody slipped up on Monday. John Warnock Hinckley Jr. should not have been standing alongside cameramen, all decorated with Press credentials, a few feet away from the President. Such areas are supposed to be "secure."

The post mortems on why, the analysis of who he was, and how it came to pass that a man picked up just months before with three guns in his possession in Nashville, Tennessee, when the then President Carter was in town was not spotted will be held in due course.

The secret service did its job all right in the end, but too late. Yet perhaps there is no way of keeping track of a drifter from Denver who turns up in Washington with assassination on his mind.

To erect a cordon sanitaire around the President, or any politician, to confine him to TV studios and the White House, is anathema to a democratic society like this.

To take away the instrument of death, the gun, is a solution that this country appears unwilling to face. Mr. Reagan himself is one of the most ardent opponents of gun control and, as in so many other things, is unlikely to change his spots now.

"People, not guns, kill people," is the slogan of the all-powerful gun lobby which has ridden out the storm of the wave of assassinations of the last generation—two Kennedys, Martin Luther King, Medgar Evers, Allard Lowenstein, John Lennon and the near-successful attempts on the lives of George Wallace, Vernon Jordan and President Ford—and will probably do so again.

If anything happens, it will be that the use of guns in crime will be more severely punished, but to expect more is to ask for the moon.

Analysis of the impact of the assassination attempt on Mr. Reagan's administration depends partly on the speed and fullness of his recovery.

One thing must be clear: no matter how reassuring his doctors are today, the chances of Ronald Reagan, already 70 and within inches of death, continuing to serve as the President for another eight years (less two months) cannot be rated highly. When the dust has settled, the battle first for influence in government and ultimately for the succession will begin in earnest.

Actually it had already begun, with the rebuff of Mr. Alexander Haig's power play for control of foreign policy only last week, and it surfaced again on Monday afternoon. There stood the Secretary of State in the White House Press room asserting that "crisis management" (vested in Vice-President Bush over his opposition last week) was in effect and that he, in the absence of both the President and Vice-President, who was flying back from Texas, was in command.

Technically Mr. Haig was quite right, but, maddeningly for his own reputation and typically, he mis-stated the justification, confusing the executive chain of command, which does place the Secretary of State third in line, with the constitutional order, which ranks him fifth. More than that, his very demeanour, the appearance almost of cockiness and self-satisfaction, pained the scenes of all who beheld it.

Mr. Haig obviously has the necessary experience to play a central role: after all, he virtually ran the Government in the final days of the Nixon Presidency, even to the point of ensuring a smooth transference of authority to Gerald Ford. But that is not what Mr. Reagan's oldest and most trusted advisers, Mr. Edwin Meese, Mr. Michael Deaver, et al wanted to hear.

It is a distinct probability that Mr. Haig has again blotted his copybook, this time perhaps irrevocably.

The obvious beneficiary is Mr. Bush. His relationship with the President has changed remarkably and partly accidentally, in a very short space of time.

Not Mr. Reagan's first choice to be Vice-President and never, until recently, either liked or admired by the President, he has vaulted into prominence partly as the mechanism for putting down Mr. Haig and partly because he has earned the trust and respect of Mr. Reagan and the White House inner circle.

For the time being he must serve as the Administration's front man. He assumes the responsibility in disturbed international circumstances, with the threat of Soviet intervention in Poland merely the most pressing of many problems.

Mr. Bush's performance now could well dictate his long-term political future. He has been given an opportunity, for example, to demonstrate that he has the stuff of leadership, not always heretofore his strong suit. He may also convince the Republican New Right, which deeply mistrusts him but which runs the party, of his political acceptability.

More generally, it is likely that the emerging trend towards vesting greater authority once again in the executive branch will be hastened by what has happened. This is a cyclical fact of life in American politics: Congress asserted itself after the excesses of the imperial presidencies of Johnson (in foreign affairs) and Nixon. The perceived weaknesses of Ford and Carter, combined with the collapse of the power of the political parties in the legislature, was always likely to create a yearning for a stronger presidency. That was a prime reason why Mr. Reagan was elected.

This is particularly relevant at a time when the Democratic Party has rather lost its way, as is the clear case today.

Many of its leading members are convinced that the Reagan prescription for the country is wrong, economically and socially, but the party has been unable to decide whether to attack it frontally, to chip away at the margins or simply to let it be put into practice, secure in their knowledge that it will fail and that the Democrats will rise again from the ashes of a Republican debacle.

The Democrats' dilemma has now been made more acute by the wave of sympathy and regard for the person of Mr. Reagan and, by extension, his surrogates led by Mr. Bush, the Cabinet, and the White House staff.

Yet it is also true that the promise of the Reagan premise—to restore the good old days to America—has been instantly rendered questionable by a bullet.

Mr. Reagan's vision of the country never really seemed to coincide with recent history. It never took account of Vietnam, Watergate and the increasingly violent strains in an inherently violent society. It sought to recreate a spirit of optimism that was, oddly enough, born in the deprivations of the depression, when people pulled together to alleviate hardship not apart to advance special aims.

The Reagan presidency was conceived on two models — Franklyn Delano Roosevelt's in its activism and Eisenhower's in its geniality and reassurance. The second, in which Mr. Reagan's personal talents were to be fully deployed, was in a sense to serve as a cover for the first, and make the medicine seem lees unpleasant. It is a potion that could not work with anybody else at the helm.

Assuming he recovers, Mr. Reagan will be more qualified than ever before to play his designated part. Yet one bullet served as a painful reminder of how fragile power is in a nation which so personalises its leaders as does America, and how vulnerable even the best-laid plans are to the irrational.

The violence which has laid low American political leaders in the last generation, with absolute disregard for their race, colour and political creeds is indeed irrational. It is a recurrent nightmare which tears at the system, causes a nation to doubt itself once more and, above all, defies logical response.

The system somehow survives and the steadfastness of the population never ceases to amaze.

The bodies and blood strewn on the pavement outside the Washington Hilton on Monday afternoon, vividly flashed into every living-room by the all-seeing camera, somehow mingle with the same images that beam in every night on whatever new version of the cops and robbers routine the networks have concocted.

These shows always have heroes and President Reagan is that to the nation today. But this country is wondering, yet again, why they have to be born out of tragedy. There must be a better way.

MEN AND MATTERS

Oscar award

"We received a very brief telex saying that there was a 24-hour postponement," said Peter Nottage, Lloyd's broker at Adam Brothers Contingency, of the Academy Awards ceremony. "But technically speaking we have not had a claim."

That may be cold comfort for up to 100 Lloyd's of London underwriting syndicates who have participated in insuring the cancellation or postponement of the Oscar presentations in Los Angeles. Ronald Reagan's brush with an assassin delayed the ceremony for only the third time in its history. The two other occasions were in 1968, when Martin Luther King was shot, and 1938, when there was a flood.

Extra costs of banqueting preparations, hotel accommodation, and staffing arrangements may be covered by the Lloyd's policy for the Academy of Motion Pictures Arts and Sciences. The bill could run out at around $500,000 though postponement should not be as costly as cancellation.

Lloyd's underwriters will be holding their breath over the affair. One of the more controversial exotic risks which Adam Brothers introduced to underwriters was computer leasing insurance which produced record losses for Lloyd's.

Rugby posts

There are still some British skills which the Japanese are eager to acquire, it seems. Ricoh, Japan's leading office equipment manufacturer, has posted marketing executive Makoto Mizutami to its London office—for some intensive training in Rugby football.

Ricoh has for years prided itself on fielding the best Rugby club side in Japan, London company secretary Alex Fukushima tells me. "But lately it has been losing its position," he says.

So Mizutami, until three months ago coach to Japan's national team, has been asked to combine his tour of duty in London with a close study of the game's latest coaching methods and tactics. He has joined Richmond RFC, plays the occasional game, and spends two days a week at training sessions.

Ricoh's determination to restore its Rugby prestige could also lead to the export of a few of our own players. Fukushima says the company is seeking one or two recruits from the universities with Rugby skills as well as management potential to re-inforce the Tokyo team. "An Anglo-Japanese exchange of resources which could benefit both sides," he says.

Squat thrust

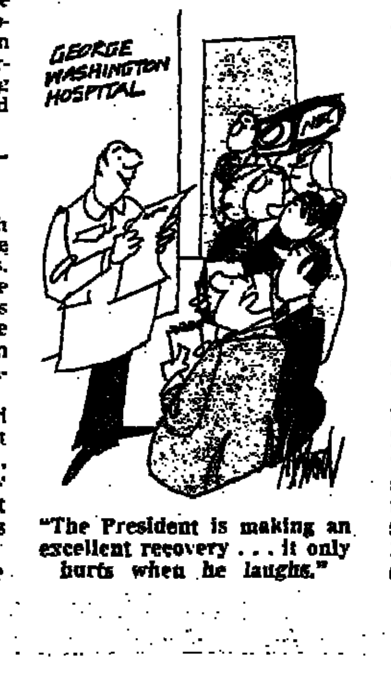
Rioting young squatters in West Germany have clearly shaken the sense of security hiterto enjoyed by the country's more solidly affluent burghers.

A small ad in a Munich newspaper has just appealed for a pensioner, with weapons licence, to guard one detached house against illegal occupation while the owner is away during the university holiday period in September. "Bed and board guaranteed," the ad promises applicants for the job.

But while pensioners are being recruited to repel squatters in Munich, others in the grimy industrial town of Gelsenkirchen have bridged the generation gap and are militantly using the same tactics against local property speculators.

Wilhelmine Kilimann, aged 94, and her 64-year-old daughter-in-law, have joined neighbours in occupying flats in the town's Auguststrasse threatened with demolition. And Johanna Preller, aged 62, who left he flat there last autumn, has returned for the fight to preserve the street.

The property owner is a bit bemused by it all. He wants to demolish the tenements to build olld people's flats.



"The President is making an excellent recovery . . . it only hurts when he laughs."

Hard lines

Shareholders in European Ferries, the group which encompasses shipping line Townsend Thoresen as well as bankers Singer and Friedlander, should think twice before opting for a bed-and-breakfast. The problem is, it should be said, not one of berth shortages or catering stoppages on the cross-channel ferries. The custom in question is that frequently practised around the turn of the financial year, to sell the shares one night and buy them back in the morning.

Shareholders who bed-and-breakfast Euroferries holdings, however, thereby lose the widely-used and generous discounts offered on the price of most sailings. To qualify for the savings—which can amount to £60 on a family holiday—individuals have to own 300 ordinary shares and make sure their name is on the shareholders' register by February 1 in the calendar year during which the concession is sought. The rules are strict, says th company, and since bed-and-reakfasting involves the issue of a new contract note it invalidates the original purchase date.

Foreign exchange

A strong, straightforward banking name, "the Midland," rooted in the heartland of British industry. Putting it across in Chinese is, however, another matter altogether. A two-character phonetic rendering—sounding roughly like "mee-lan"—served well enough until a Milan-based Italian bank complained that its pitch was queered. Back to the drawing board, to arrive at a three-character rendering which approximates to the English pronunciation.

The new version will be proudly displayed over the stand manned by the Midland at tonight's EEC reception for a Chinese trade delegation. But what may raise a few oriental eyebrows is that its literal Chinese meaning emerges as "rice extraordinary orchid treasure house."

Adding insult . . .

The plight of kidnapped train robber Ronnie Biggs has spawned an outbreak of gallows humour at publisher Michael Joseph. "Contrary to an earlier announcement," runs the advertisement in this week's Bookseller magazine, "Ronnie Biggs will be in the UK for the publication of Ronnie Biggs: His Own Story. Details of his personal appearances have yet to be finalised. For further information call Michael Joseph Press Office or Scotland Yard."

Observer

Anthony Robinson, East Europe Correspondent, reports on the narrow path being trod by Solidarity and the Communist leadership

Poland: now for the most important hurdle

ANOTHER MAJOR hurdle has been cleared in the long-running Polish steeplechase with the suspension and (probable) abandonment of plans for an indefinite general strike. But last Sunday's Central Committee plenum, which provided the vital vote of confidence for the government to make necessary concessions to the unions, also fixed the date for the most important hurdle of all—a new party Congress which will now take place on July 20.

If, as expected, this Congress reflects the fundamental changes which have taken place at the grass roots of the party and elects a reformist majority in the 140-seat top party organ, then the path will be clear for an unprecedented event in communist history.

That event would be none other than the spectacle of a formerly authoritarian Communist party transforming itself under the combined weight of external and internal pressure, into a political organism ruling by consent. Its powers would be limited by the presence of legally recognised external forces like free trade unions, a parliament with powers to question and check the executive and a powerful church.

Arguably such a structure, whose components are already clearly in evidence, would provide the sort of stability which is so desperately required if Poland is to get down to the vital job of re-building the economy—a task which requires sacrifices and hard work for years ahead.

It also requires extraordinary political finesse on the part of all the major players—the party, the Government, the Church and above all Solidarity. The delicate game of brinkmanship has been played with consumate skill so far. But increasingly radical elements have surfaced within the loosely organised Solidarity movement which have been seen to challenge the essentially moderate line followed by Lech Walesa in close harmony with the Catholic Church.

Solidarity's strength lies in its unity and its awareness of its limits. Beyond these lie the risk of provoking economic collapse or external intervention. Had the strike taken place these limits could well have been breached.

The election of a reformist central committee, which in turn elects the voting Poliburo, would, in effect, signify the liberation of the Polish Communist Party from the essentially Stalinist political structure imposed on Poland, and all the other East European countries, in the wake of the Red Army advance at the end of World War II.

It would represent the kind of liberation aspired to, in different ways and under different circumstances, by the East Germans in 1953, the Hungarians in 1956, the Czechoslovaks in 1968 and the Poles themselves in 1956, 1970, 1976 and ever since August 1980.

What is possibly even more significant is that what is happening in Poland, and what could be ratified and formalised in July, is an object lesson in self-renewal and reform of political structures which, by any objective judgment, is also urgently required within the Soviet Union itself. There can be no greater contrast with the dynamism of events in Poland than the frozen immobility demonstrated at the 26th Soviet Party Congress in Moscow last month.

It would be too much to expect the present gerontocratic Soviet leadership to see anything positive about events in Poland. But it may not be too far-fetched to imagine that the huge technical-scientific intelligentsia, from whose ranks will be drawn the next generation of Soviet leaders, could draw inspiration from the Polish example.

But four months is a long time in politics, especially when the stakes being played for are so high. The present East German, Czechoslovak and Soviet leaderships theoretically now have this period within which to decide whether to undermine, crush or adjust to developments before the crucial party Congress meeting. The same dilemma faces hardliners within the Polish party itself—men whose entire careers, and the privileges which go with them, are at stake.

In making up their minds, however, the "conservatives" who run these neo-Stalinist regimes must now be fully aware that what they are facing in Poland is a country united behind Solidarity, and a party whose own grass roots members demonstrably share many of the aspirations for reform embodied in Solidarity itself.

For this, somewhat ironically, those faceless men who engineered last week's clearly provocative attack on Solidarity members in Bydgoscz are to be thanked. The anger which this attack provoked was a reflection of the general feeling that whatever authority the present rulers of Poland possess does not extend to the imposition of their will by force.

This was the essence of a letter sent by Mr. Lech Walesa to the authorities before the Central Committee meeting and Government - union talks began. It was also reflected in the overwhelming adherence to last Friday's four-hour warning strike and in the strength of rank and file criticism of party hardliners during Sunday's Central Committee meeting. Certainly Mr. Kazimierz Barcikowski, chairman of the Central Committee, and other major speakers at the meeting were obliged to use strong words, words which echoed those used by the Soviet Press, to denounce the increasingly political nature of Solidarity's actions. But this, in retrospect, was clearly a necessary tactical move. It had to be done as an expression of the very minimum of deference owed to Moscow.

It was equally necessary, however, to ensure that party hardliners, who are still a majority in the Central Committee which was elected before the August events at the February 1980 Congress, were prepared to give that vote of confidence of Prime present leadership of Prime Minister General Wojceich Jaruzelski and Party Secretary Stanislaw Kania. This was vital if concessions were to be made in Monday's Government-union talks.

This leadership owes its support in both party and country to its determination to seek a political, non-violent solution to Poland's present crisis. Mr. Walesa, the bulk of Solidarity and the Catholic Church are all aware there are no other credible leaders in reserve, and no real alternative to the policy of national conciliation which they represent.

Or, rather, there is no alternative in sight if one excludes the possibility of armed intervention, either by hardliners in the Polish security and military establishment or by Poland's Warsaw Pact neighbours. The question is to what extent can such intervention be excluded and, if it can, to what extent non-intervention militarily will be accompanied by what has been, up to now, continuing financial and economic support from the Comecon bloc.

For Poland is not only militarily vulnerable. The Polish economy is by now in an appalling mess. As Poland's economic supremo, Planning Minister Henryk Kisiel told the Central Committee, industrial production fell 10 per cent over the first two months of the year, total foreign debt now exceeds \$27bn, the food and general supply situation is critical as never before, coal and other vital hard currency export production is well below target.

Had the now-averted indefinite general strike taken place Poland would have faced the very real risk of total economic collapse, the end of any hopes of a successful renegotiation of debts and the spectre of an eventual return to work in an atmosphere of bitterness and desperation.

Even without the strike however the state of the economy is such that it is still intensely vulnerable to economic pressures such as those which could be brought to bear through a Soviet ultimatum. It is within the Soviet Union's power, for example to present Poland with a demand to stop the reform movement in its tracks or face a cut off in economic aid and the loans which have enabled Poland to honour its western debt obligations for the past few months.

Should the Soviets decide on such a policy it would not only put pressure on Poland. It would also face western governments and bankers with major problems. For a cut-off in Comecon aid would dramatically increase the urgency of, and need for, further western economic assistance, including debt re-scheduling.

On balance, however, it would be realistic to assume that Soviet bloc economic, political and psychological pressure on Poland is, at this stage, still more likely than outright military intervention.

Western military analysts assume that an effective invasion of Poland with its 36m strongly nationalistic inhabitants, its historically anti-Russian traditions and its proven capacity for resistance would take at least a million men and require a full scale occupation for as far as the mind can imagine.

It would not solve, but exacerbate, Poland's political and, above all, economic problems, and saddle the Soviet Union not only with responsibility for Poland's debt but also to feed (or starve) the Polish people. It would create incalculable complications for East-West relations including economic links and arms control negotiations. It would also create enormous political and economic problems at home and huge damage to the Soviet Union's image in the world at large.

And all this essentially for what? For the preservation of a discredited system whose reform is so clearly needed not only in Poland but in the Soviet Union itself.

Apart from the risks involved the Soviet Union can also console itself with the fact that throughout the past nine months no responsible body in Poland has at any time advocated that Poland should leave the Warsaw Pact or Comecon or dispense with the Communist Party. Its Government furthermore is in the hands of a trusted general and the former chief of security.

And lest anybody harbour illusions about Poland only paying lip service to its international obligations, it should be remembered that Stalin, by shifting Poland physically westward into former German territory at the end of the war, ensured that Poland, like East Germany, has a vested interest in the maintenance of that post-war division of Europe which has made the Soviet Union itself the prime guarantor of Polish national integrity.

A reformist Communist government, of the kind now perceivable on the horizon, would be most unlikely to overlook this fact.

THREE FACES OF POLAND

Mieczyslaw Rakowski. Recently appointed Deputy Premier who led the Government team in negotiations with Solidarity. Former editor of Poland's leading weekly magazine Polityka. A party liberal of long standing formerly close to Gomulka but critical of Gierek. Believes in reform to rid party of Stalinist heritage.

Cardinal Stefan Wyszynski. Primate of Poland, former mentor of Pope John Paul II, arguably the most influential man in Poland. Arch defender of traditional Polish, Catholic values in a Communist state. Aims: survival of Church and Polish sovereignty.

Lech Walesa. "Mr. Solidarity" for most Poles and foreigners alike. Superb communicator, famous for blunt talking to worker and official alike. A former electrician whose deep Catholicism underlies his actions. Now seen as a moderate whose views reflect those of the Church hierarchy.

Letters to the Editor

Criticising monetarism

From Mr. J. Carr

Sir,—As an ex-Treasury economist who was not invited to sign the statement criticising monetarism, may I suggest that the Government's interpretation of this much abused doctrine is not necessarily definitive? More than 20 years ago I argued, in evidence given to the Radcliffe committee, that changes in Bank Rate (now MLR) and short-term interest rates should be made primarily to prevent undesired changes in the sterling exchange rate, while medium and long-term interest rates should be left to find their own level in a free market in which the Government would borrow what was needed to finance its deficit without adding more than seemed prudent to the liquid resources of the banking system.

Had we joined the European Monetary System at its inception, and followed the policies outlined above, sterling would not have appreciated to its present level. Long-term interest rates might have been a shade higher, but this is uncertain; there is much evidence to suggest that long-term rates are strongly influenced by expectations about inflation, and it would surely have been possible to make earlier and larger issues of indexed securities, which are still restricted to pension funds and individuals over 50. Against this, the high interest rates charged on overdrafts in the last 18 months would have been unnecessary, and this, combined with a more realistic exchange rate, would have made industry's lot much easier.

If bank lending rates had been lower it might have been necessary to ration bank advances, giving priority to manufacturing industry, exporters, etc., as we did for many years after the war. In its consultation paper issued a year ago the Treasury claimed that such rationing introduced distortions, but we managed to live more successfully with the distortions in the 1950s and 1960s than we are living in the brave new world ushered in by "competition and credit control." If the Government would shed its inhibitions about long-term interest rates, and concentrate on managing the exchange rate, it could afford to let nationalised industries borrow for genuinely profitable investment, since such borrowings could bear a positive "real" rate of interest high enough to attract lenders at home and overseas. Certainly such issues would compete with industrial loan stocks, but companies have mostly preferred to rely on bank loans for short and medium-term finance in recent years, funding debt by rights issues when conditions are favourable. It is really rather perverse to do otherwise when long-term interest rates embody a substantial risk premium against inflation as they have done since the reverse yield gap appeared in 1959.

J. L. Carr.
56, Bournemouth Drive,
Herne Bay, Kent.

Up-to-date view

From Mr. E. Storey

Sir,—It would appear from your article of March 30 that the economists still think that everything is going to Hall. Not only this, but they accuse the Government of tackling the depression in the wrong way. If this is so why do they not say how they would tackle the situation and what advice they would give to the people who have the misfortune to run the economy in bad times such as these?

The trouble with these people is that they are always working on figures which are 3 to 6 months old. People who buy stocks and shares are right up to date and are well aware whether things are getting better or worse, hence the advance of market prices.

E. F. Storey.
Tilling and Company,
City Wall House,
18-22, Finsbury Street, EC2.

Agglomeration of intellect

From Mr. R. Mitchell.

Sir—The criticism of the Government's economic strategy by 364 university economists (March 30) is of great interest in that such a massive agglomeration of intellect devoted to a single subject must surely be able to identify the strategy which would provide the panacea for our economic ills. Unhappily there is a hint of uncertainty inherent in the recommendation that "the time has come . . . to consider urgently which alternative offers the best hope . . . ." If the physicians can do no more towards a cure than observe that there exists a catalogue of specifics can it be that they are between them offering 546 cures—and leaving the choice to the Government?

Richard Mitchell,
The Old House,
Aldham,
Nr. Colchester,
Essex.

Qualified to talk

From Mr. W. Poeton

Sir,—On behalf of at least 364 independent UK companies, which have to "balance their books," I am amazed at the effrontery of the 364 economists who are criticising the Government's handling of the economy.

An examination of the curriculum vitae of the academic signatories would reveal that none of them has had enough practical experience to run the proverbial whelk stall, let alone to make a profit in an unsubsidised independent business.

They still will not grasp the Chancellor's recognition of a basic fact of business life—cash is a limited resource.

Small wonder that our higher education system is in such a shambles!

W. G. Poeton,
Union of Independent Companies,
71 Fleet Street, EC4.

Upholding dogma

From Mr. E. Alfred

Sir,—As ever Anthony Harris (March 27) has brought a most welcome breath of fresh air to the debate on public expenditure. His article, so far as I am concerned, confirms what I have thought for many months—that the Government is far more concerned with the shadow than with the substance, with the statistics rather than the reality. My own business is one in which statistics play a vital role in providing evidence for decision making. We are never however, tempted to regard the statistics as infallible, if they are at variance with observed reality.

It will be a tragedy indeed if this excellent opportunity to reduce "public squalor" by some well-chosen public investment in say improved British Rail rolling stock, the renewal of sewer pipes, etc., is rejected to uphold politico-economic dogma.

E. D. Alfred.
The Narrows,
45 Melville Avenue,
South Croydon, Surrey.

Investment in transport

From the Executive Director, Transport 2000

Sir,—Mr. Robert Phillipson (March 23) seems to have misunderstood the problem of public investment. He seems to be arguing that having isolated nationalised industries' investment, and provided for private capitalisation within, other sectors, such as roads, need more Government investment merely to keep the responsible private industries — in this case the road construction industry — in business. Surely this is letting the tail wag the dog in an extreme fashion?

A far more constructive way of approaching the problem, which I think your leader edged towards, is to separate those items of public investment which can make a financial profit, such as, say, in telecommunications, from the public sector borrowing requirement, allowing the other sectors of public investment — which may be completely justified on other grounds — to compete for funds within PSBR, hopefully on a comparable basis.

It is worthwhile noting that road building could fit into either sector. There is no technical reason why a private consortium could not build a private toll motorway with the aid of a private Act, just as a privately funded Channel Tunnel is possible. If a road was not possible, it could compete for Government funds.

An indiscriminate investment by Government merely to keep an industry going seems to be a very negative policy to promote.

Nick Lester.
Transport 2000,
40 James Street, W1.

Late repayment of VAT

From Mr. D. Turner.

Sir, — Mr. Monnickendam (March 27) focused attention on the worrying and costly financial implications of the present civil service strike action for exporting companies such as his own.

But it is not only the export sector which is being hit by the interruption of VAT repayments. In the construction industry, some 22,000 companies are entitled to, and normally receive monthly repayments of VAT from Customs and Exise. The extent of the cash flow difficulties now facing these companies can be gauged from the fact that in 1980 the total amount of VAT repaid by customs to construction companies was approximately £645m —an average of well over £50m per month.

The industry is not unappreciative of the facilities given by officials of the Inland Revenue to alleviate these cash flow problems by allowing offset of VAT repayments, although there are obviously many companies whose tax liabilities, for PAYE or corporation tax, are insufficient to provide full set-off.

My committee wholeheartedly supports Mr. Monnickendam's condemnation that such offset arrangements can still result in a liability for interest, and his view that Government should pay interest to compensate companies for late repayment of VAT by Customs. An additional point that should not be overlooked is that in last year's Finance Act the Government brought in heavy penalties to deal with the late payment of VAT by traders. Surely the time has now come for the Government to correct this one-sided and inequitable state of affairs, by amending the relevant VAT legislation in the coming Finance Bill to bring it into line with the corresponding legislation on direct taxes administered by the Inland Revenue.

D. W. Turner,
Chairman,
Joint Taxation Committee,
National Federation of Building Trades Employers, Federation of Civil Engineering Contractors, Committee of Associations of Specialist Engineering Contractors, and Export Group for the Constructional Industries,
82, New Cavendish Street, W1.

Cash flow problems

From the Managing Director, Stockdale Engineering

Sir,—I entirely sympathise with the sentiments expressed in Mr. A. B. Monnickendam's letter (March 27). I would further make the point that we, as a company, are expected to remit PAYE and VAT promptly and yet seem to have no recourse to the four month embargo placed upon settlement of regional development grants nor upon the lengthy process of recouping redundancy rebate and compensation for short time working.

When any company is faced with a redundancy/short time working situation it is, precisely, then that the swift repayment of cash laid out against rebates is most critically needed. If the repayments are not speeded up then their cash flow value disappears and all that remains would be yet a further call on unemployment benefits.

Perhaps an opportunity costing exercise should be undertaken by the Treasury and I think it would read the message loud and clear.

Anne Blackburn.
Stockdale Engineering.
Rock Bank, Bollington,
Nr. Macclesfield, Cheshire.

Today's Events

GENERAL

UK: Sir Geoffrey Howe, Chancellor of the Exchequer, attends National Economic Development Council meeting, London.

Mr. Joe Gormley, National Union of Mineworkers president, addresses Electrical Power Engineers Association, York.

Mr. Walter Goldsmith, Institute of Directors director general, speaks on industry in "Spirit of the Nation" Lenten lecture series, St. Lawrence Jewry, 1.15 pm.

Mr. Norman Lamont, Energy Parliamentary Secretary, speaks at British Nuclear Energy Society lunch, London.

Mr. Douglas Hurd, Foreign Office Minister, speaks at Winsford, Cheshire.

Mrs. Ann Taylor, Opposition Environment spokeswoman, talks on housing, and Miss Joan Lestor on "Let's talk politics" at Slough.

Telegram charges rise by 50 per cent.

National Engineering Laboratory two-day seminar opens on CAD/CAM systems in mechanical engineering, East Kilbride.

Mr. Anthony Wedgwood Benn speaks at American Chamber of Commerce lunch, Hilton Hotel, W1.

Overseas: Lord Carrington, Foreign Secretary, meets Chinese leaders, Peking (until April 5).

Mr. Andries van Agt, Dutch Prime Minister, and Mr. Christoph van der Klaauw, Dutch Foreign Minister, meet U.S. Government leaders, in Washington, to discuss European Community's Middle East peace initiative.

PARLIAMENTARY BUSINESS

See Parliamentary News on Page 8.

OFFICIAL STATISTICS

Department of Energy publishes advance energy statistics for February.

COMPANY MEETINGS

Foreign and Colonial Investment Trust, 1 Laurence Pountney Hill, EC, 12.15. Securicor Group, Hyde Park Hotel, 66 Knightsbridge, SW, 12.10. Security Services, Hyde Park Hotel, 66 Knightsbridge, SW, 12. Sterling Trust, 122 Leadenhall Street, EC, 3.30.

COMPANY RESULTS

Final dividends: Babcock International. Guardian Royal Exchange Assurance. Hiltons Footwear. Legal and General Group. Macfarlane Group (Clansman). Molins. Phicom. Phoenix Assurance. Reckitt and Colman. Spirax-Sarco Engineering. Sun Alliance and London Assurance. Weir Group.

Booker drops £9m but dividend maintained

STRUCK after much higher interest, up £5.78m to £9.56m, taxable profits of the Booker McConnel group of international food, engineering and trading, have dropped from £21.79m to £12.76m for 1980. External turnover expanded by £164m to £834m, and mainly reflects the acquisition of wholesale food businesses.

Earnings per 25p share are down from 15.51p to 9.48p but the dividend is effectively maintained at 3.125p with an unchanged final payment of 1.875p net.

Mr. Michael H. Caine, chairman, explains that high interest rates, the strength of sterling, the severe cut-backs in public sector capital expenditure and the recession were all adverse factors.

The group suffered a £1.35m loss in its engineering sector, against a £5.88m profit last year, and in the other main division—food distribution—profits were slightly behind at £4.21m (£4.33m).

The chairman says that in 1981 the engineering side will demand strict economy, but "there should be a major increase in profit in our wholesale food businesses."

Immediate and pressing problems needed rapid and determined action including substantial redundancies in engineering, Mr. Caine explains. However, major strengthening of the group's other divisions continued.

Pre-tax profits at the halfway stage fell from £10.89m to £5.62m.

Kearley and Tonge and Warriner and Mason were acquired during the year adding 56 per cent to sales in the food sector, and the group's stake in URM's rum brands and distribution business was increased to 100 per cent. And the new partnership in IBEC "has gone well and there should be growth in profits especially from the poultry breeding businesses."

In an analysis of the pre-tax figure the group's other sectors' contributions were: health products and pharmacies £2.9m (£2.55m); spirits and liqueurs £3.21m (£2.54m); international trading £916,000 (£1.35m); shipping £1.37m (£1.34m); agriculture £1.3m (£1m); authors £757,000 (£1.22m), and the parent company £544,000 loss (£1.59m profit).

Geographically, profits were mainly from the UK companies — £11.71m against £19.67m — with consolidated overseas companies contributing: North America £332,000 (£843,000) and other £126,000 (£2,000). Remittances from other overseas territories amounted to £599,000 compared with £1.25m.

Depreciation charged was up from £7.69m to £9.81m and there were redundancy and closure costs of £846,000 for the period. Apart from the interest charges, pre-tax profits were struck after minority interests of £2.4m (£3.22m), and included a £322,000 (£1.72m) surplus on disposal of trading properties.

Tax took £903,000 (£2.41m) and the attributable balance came through at £13.43m (£17.17m) after an extraordinary credit of £1.8m, compared with a debit of £2.19m.

On a CCA basis, after all adjustments, profits are reduced to £7.67m, against £15.43m pre-tax, and earnings per share are shown as 3.92p (8.35p).

At the year end shareholders' funds stood at £106.1m against £98.1m, and the chairman says that the amount of borrowing was broadly held to that at the end of 1979, by tight control of asset usage.

Lex, Back Page

Earnings of Law Land doubled

Property investment and trading group Law Land more than doubled pre-tax profits from £115,071 to £280,912 for 1980. The directors are recommending an increased final dividend of 0.95p, making a net total payment of 1.5p (1.25p) for the year.

Sales marginally improved with investment turnover up from £5.15m to £6.01m and trading turnover down from £4.9m to £4.8m.

There was a tax credit of £231,044 (£14,833), a debit for minority interests of £9,532 (credit £105,710) and an extraordinary credit of £1.03m (£124,733).

After a transfer to capital reserves of £815,838 (£99,639), the profit attributable to shareholders was £631,308 (£293,708). Earnings per 20p share emerged at 1.15p (0.73p).

The directors say they estimate that a valuation of properties held as fixed assets on an open market value basis would show a net surplus in excess of £11m over the book value of £63.87m. No credit has been taken for this in the accounts.

Duport's savage plans for safety

BY RAY MAUGHAN

THE effect of the disposals and closures which Duport is being forced to undertake to stem steel activities is to cut its workforce from 7,700 at January last year to 3,300 and to reduce shareholders funds from £51.8m to £15.2m.

The write off against the group's steel interests amounts to £36.1m and closure costs total a further £10.3m.

The group has written to holders of the ordinary and preference shares, and its debenture and convertible unsecured loan stocks outlining the terms of the disposal of its re-rolling and bright drawn steel interests to the British Steel Corporation, the costs of closing the major new steel works at Llanelli, and the re-scheduling of loans from Midland Bank.

BSC has offered £25m in payment for Duport's London Works Steel, Flather Bright Steels and Nationwide Steel Stock subsidiaries to be satisfied by the issue of a promissory note which the group has arranged to discount with the Midland Bank at £22.5m.

The chairman, Mr. Eric Sayers, makes it clear that "the consideration offered by BSC is not by any means a cure for our financial ills, and it is only with the co-operation of our bankers that the group will have a reasonable chance of recovering. A long period of convalescence will be necessary."

With the agreement of all members, it is proposed to repay at par with interest accrued to the date of repayment both term loans from the bank, the two debenture stocks and the 10 per cent convertible unsecured loan stock 1987-92.

Midland Bank has agreed to subscribe for £2.5m of 7½ per cent redeemable convertible participating cumulative first preference capital and for £2m nominal of convertible subordinated loan stock 1986. A further £2m of loans will be converted into a medium-term loan at 1½ per cent over base rate.

The outstanding overdraft amounts to £9.3m.

The changes will nevertheless leave a £13.4m deficit on distributable reserves which precludes dividend payments. Duport expects to take "early steps for the introduction of a capital reconstruction to eliminate the deficit and enable a return to payment of dividends as soon as practicable."

It is likely, however, that Duport will incur a loss after interest in its remaining activities in the year to January 31, 1982 although it is impossible to quantify the deficit which will depend on the date of completion of the BSC agreement, on interest rates and the rate at which surplus assets can be realised.

It warns that "the proceeds of the sale of the plant at Llanelli are unkown quantity which may well take time to achieve and unlikely to be other than modest compared with book value."

Mr. Sayers warns that no dividend will be paid in respect of the last financial year in which it lost £15.5m after interest and extraordinary costs.

It is also "unlikely that payments of the ordinary dividend will be resumed before the financial year 1983/84."

Dividends are not thought likely on the existing preference shares nor are payments expected to start on the new preference shares until after the general meeting relating to the year to January, 1983.

Duport will have to make an "anomalous repayment" of £3.6m of Government grants relating to its recent capital spending at Llanelli. The group also makes it clear that, despite the efficiency of its steel plant, the proposed reconstruction of engineering steel manufacture under the auspices of BSC and the "Phoenix 2" project, provided "no room" for its South Wales capacity.

Yet, in 1961, the group had been refused consent to instal a new steel-making facility at Tipton "where scrap supplies were available and billet carriage costs would be minimal." It was encouraged, instead, to acquire the Llanelli Steel Company from the Iron and Steel Holding Realisation Agency.

The agreement which it has now reached with the BSC relating to the sale of its re-rolling and bright drawn interests, includes an undertaking that Duport will "not carry on a business similar to or competing with the undertakings or steelmaking and that major steelmaking plant will not be sold for use in the UK."

Lex, Back Page

Cape Inds. holds payout despite £5.79m shortfall

THE SLIDE in earnings seen by Cape Industries at mid-term accelerated in the second six months and for the year ended December 31, 1980, pre-tax profits emerged sharply lower at £6.69m, compared with £12.48m. Sales were £15m higher at £218.78m.

On a CCA basis the pre-tax figure for the year is reduced to £0.8m.

Despite the setback, the group, a subsidiary of Charter Consolidated, is maintaining its total dividend at 11.2p net on the enlarged capital, with a same-again final of 7.3p—as forecast

The surplus for 1980 was struck after costs, including interest charges which were higher at £2.59m (£2.06m). Trading profits showed a drop from £14.82m to £9.44m.

Tax was lower at £1.37m (£1.66m) and stated earnings per 25p share were down from 43.6p to 20.7p.

After extraordinary debits of £5.92m (£335,000) there was a retained loss of £3.74m, compared with a profit of £7.79m.

The directors say that markets for the company's products are expected to remain steady in the current year but action already taken and in hand, particularly in the automotive division, places the group in a position to take advantage of an upturn in demand as the recession ends.

Commenting on the past year's results they explain that the automotive division was particularly affected by the increasingly depressed state of the motor industry both in the UK and in Europe—trading loss amounted to £3.4m, against a profit of £1.2m. A major restructuring of this division (more far reaching than envisaged at the time of the interim statement) was responsible for £5.2m of the extraordinary costs.

There was a sharp reduction in demand for the division's friction materials and for component distribution services.

The building and insulation division continued to make good progress—longer-term prospects for insulation are considered to be good

● comment

With about a third of its assets employed in the automotive OE and replacement markets, however, something more than an operating setback at Cape was obviously in prospect. As it is, the group has had to cut back heavily in the Don and the Trist, Draper subsidiaries which largely account for the extraordinary cost of £5.9m. Remedial action on this scale is something to which the market has become thoroughly attuned as far as it concerns components stocks but Cape has been enjoying revived interest, partly because of the asbestos mining divestment, and through its important interests in the UK building materials industry. With the exception of industrial contracting in South Africa and Holland (which took an aggregate loss of £1m) all parts of its dominant activities have progressed well and taken in their stride another shift of Government insulation grant allocation. The balance sheet moreover is about 36 per cent geared and can adequately support the dividend, yielding almost 8 per cent at 205p, despite a post tax CCA loss of £500,000. Cape remains confident of some recovery following the cuts in its weakest, and smallest, division and there is no obvious reason why yesterday's 6p reaction should be continued.

Rohan Grp. makes £2.7m cash call

IRISH BUILDER and property developer, Rohan Group, is making a IR£2.72m cash call on shareholders by way of a three-for-ten rights issue at 165p each. Pre-tax profits for the year ended December 31, 1980 were up by more than 30 per cent on an annualised basis.

The rights issue of 1.7m shares will be used to "maintain the company's ability to continue its expansion and development." The Board considers that it is now appropriate to enlarge the company's equity base.

Reporting pre-tax profits for the year of £3.71m, against £1.9m for the previous eight months, the directors have recommended a final dividend of 5.7p per share making a total for the year of 10.5p—an increase of 31 per cent annualised.

The directors report that industrial buildings held for investment at year end amounted to £3.35m at cost which is an increase fo £1.75m. A valuation of investments on December 31 produced a surplus of £2.6m

Industrial Credit Co. has agreed to take up its entitlement of 35 per cent of the issue and will be underwriting the balance.

Barclays plans $125m issue

BY JOHN MAKINSON

Barclays Bank is planning to raise $125m (£56m) through its first public debt issue in the U.S. The bank has filed with the Securities and Exchange Commission a registration statement for notes maturing in 2006.

Barclays will be the first foreign bank to raise funds on the U.S. public debt market and is one of the first UK companies to do so.

Explaining the move, Mr. Frank Dolling, a group vice-chairman, said that the bank "was going to New York to add another weapon to our armoury." Barclays has raised dollars on the Euromarket in the past but the maximum maturity there is only about 15 years, compared with 30 years on the domestic U.S. market. Mr. Dolling also pointed to the greater stability of the U.S. market as a factor in the bank's decision.

Registration of the offering will entail additional disclosure of information, some of which was provided by the bank yesterday. It shows that interest margins on domestic operations totalled 7.7 per cent last year, compared with 8.1 per cent in 1979. On international operations, margins rose to 2.9 per cent from 2.3 per cent.

The figures also show a fall in the domestic interest spread from 3.9 per cent to 3.7 per cent while, on international operations, the spread slipped from 1.3 to 1.2 per cent. The bank has also broken down the profits from its international operations. Profits from the U.S. slipped from £20m to £13m last year, while South African profits jumped from £40m to £65m.

Barclays, which is the largest bank in the world by some measures, reported a slight fall in group profits last year from £542m to £518m. The bank has expanded rapidly in the U.S., spending roughly $400m (£179m) there since the beginning of 1979. Mr. Dolling said that, while the new money was not being raised for a specific purpose, it was most likely that it would be used in the U.S.

The notes will be issued by an American finance subsidiary, Barclays North American Capital Corporation, and will be guaranteed by Barclays Bank. The offering should be made in late April or early May, subject to market conditions. An underwriting group is currently being formed by Goldman Sachs, the lead manager.

The notes should be listed on the New York Stock Exchange, making it simpler for Barclays to list its shares there, should it so choose. Mr. Dolling said that this possibility was open although the bank has no immediate listing plans.

Redemption of the notes will be through a mandatory annual sinking fund of $8m beginning in 1992, which will retire around 90 per cent of the issue before final maturity. The company may increase its sinking fund payment in any year after 1991 by an additional amount not exceeding $8m. The notes will also be redeemable in whole, or part, from 1991 at declining premiums. The sinking fund produces an average life for the notes of 17½ years.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
American Trust	1.4	May 15	1.25	2.1	1.85
Appleyard Group	Nil	—	2	Nil	4.25
Booker McConnell	1.88	—	1.88*	3.13	3.13*
Bunzl Pulp	3.03	July 1	2.74	7.23	6.57
Burndene Invest. ... int.	Nil	—	0.25*	—	0.25*
Cape Industries	7.3†	May 28	7.3	11.2	11.2
Dufay Bitumastic	2	May 18	1.48	2	2.68
Lake and Elliot ... int.	1	May 22	Nil	—	2
Law Land	0.95	July 7	0.75	1.5	1.25
Ofrex Group	2.5	May 23	2.5*	3.67	3.67*
Padong Senang Rubber	1.1	—	1*	1.1	1*
Park Place Invest. int.	1.25	May 22	1.07*	—	3*
Peachey Property ... int.	1.5	May 27	1.5	—	4
Sunbeam Wolsey	2‡	May 29	3	2	4

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Irish pence throughout.

Woolworth chief defends trading policy changes

Suggestions that the slump in 1980 mid-term profit at F. W. Woolworth and Co. was due to the many changes the company has made in recent years is strongly rejected by Mr. G. Rodgers, the chairman.

In his annual report he says that he is confident that when the economy improves the company will progress again in sales and profit in keeping with the rise in the retail trade.

"In the past the company has been criticised for the absence of change in its trading philosophies and we will not, therefore, let the exceptional circumstances of 1980 deter us from continuing with the progressive policy decisions that have been made in recent years.

"The changes were not made for short-term effect," he adds.

Although the recession has affected sales in total, Woolworth has continued to increase market share in the principal development areas of textiles, d-i-y and horticulture.

In 1980, because of the deepening recession Woolworth deferred some of its store modernisation programme. Excluding the B and Q purchase capital spending was cut from a budget of some £44m to £33m with the number of stores modernised reduced from the planned 100 to around 68, and the installation of four new restaurants was deferred.

At January 31, 1981, future capital spending was down at £24m (£33m) with £17m (£20m) authorised but not contracted.

Year-end cash was up at £17.46m (£5.73m) and borrowings reached £84.83m (£67.99m). Shareholders' stood at £578m (£571m).

Trident TV calls in Rothschild

Trident Television has appointed N. M. Rothschild to advise on the reconstruction of its Yorkshire Television franchise.

Following the IBA's decision at the end of last year that Trident should demerge its Tyne Tees and Yorkshire franchises, Kleinwort Benson has been advising "on a complex problem involving potentially three separate interests — those of Trident, of Yorkshire and of Tyne Tees" according to chairman Mr. Ward Thomas.

As the reconstruction has to be carried out "simultaneously and at some speed" Kleinwort will give its priority to the problems of Tyne Tees while Rothschild work in parallel on Yorkshire.

YEARLINGS

The coupon rate on this week's batch of local authority yearling bonds has inched up from 12¼ to 12⅜ per cent. The price is pitched at par. A full list of the week's issues will be published tomorrow.

DEVITURAI

The Stock Exchange listing of Deviturai Holdings has been cancelled at the company's request.

SPAIN

March 31	Price %	+ or −
Banco Bilbao	298	+4
Banco Central	340	
Banco Exterior	203	+2
Banco Hispano	293	+5
Banco Ind. Cat	129	
Banco Santander	329	−4
Banco Urquijo	184	
Banco Vizcaya	319	+3
Banco Zaragoza	230	
Dragados	147	+7
Espanola Zinc	75	
Focsa	58.5	+0.5
Gal. Preciados	31	
Hidrola	64.7	+0.7
Iberduero	55	
Petroleos	93	+0.5
Petroliber	70	
Sogatisa	85	
Telefonica	61	
Union Elect.	62.7	−0.9

BIDS AND DEALS

Disposals cut British Benzol debt by £1.2m

British Benzol Carbonising, the lossmaking coke and smokeless fuel group, has disposed of two of its three subsidiaries to Coalite, the smokeless fuel oil refining chemicals and fuel distribution group, for a nominal consideration of £2 plus the assumption of borrowings.

The companies being sold are Randolph Coke and Chemical, and J. S. Stirk, a small transport company which undertakes most of Randolph's business. This leaves British Benzol and Coal Distillation, which is situated in South Wales, as it main operating subsidiary.

Before disposing of Randolph, Benzol released it from debts totalling £549,228 but the total bank overdrafts of both Randolph and Stirk, amounting to £1.21m, will remain with the companies under their new owner.

Following the disposals the debt of the Benzol group is cut from £2.7m to £1.49m. On a proforma basis net tangible assets are reduced from £4.77m to £2.08m.

Benzol said that the disposal of Randolph and Stirk on the terms announced "was the only way to sustain the continued operation of the group as a going concern."

In the year ended March 31, 1980, group pre-tax profits of Benzol fell from £1.25m to £774,000 to which Randolph contributed £531,000. In the current year Randolph has been trading at a loss as a result of the reduced demand for its coke, mainly because the British Steel Corporation ceased to be its prime customer.

Benzol reported a pre-tax loss *of £1.3m for the first half of the* current year and warned of a substantial deficit in the second six months. Apart from the loss of the BSC business there was also a serious manufacturing problem in South Wales.

Benzol's remaining subsidiary in South Wales produces coke mainly for the foundry industry. It has recently reduced manning levels, achieved improved operating conditions and has been engaged in talks aimed at increasing its sales volume.

In view of the company's improved prospects, taken together with reduced overheads arising from the planned closures of the group's London office and the reduction in bank debt on the disposal of the two companies to Coalite, the directors consider that the company has a viable future in the light of current conditions.

COPE SPORTSWEAR

Terms have been agreed for *the purchase of Sperrin Textiles* from the Receiver of Cope Sportswear by a consortium of investors, comprising the directors of Sperrin Textiles, Northern Ireland Development Agency, Bamford Hall Holdings and County Bank.

Completion of the deal will ensure the continuance of 300 jobs. Under the deal, ordinary and preference share capital amounting to £500,000 has been subscribed by the consortium of investors. A £1m 10-year loan has also been negotiated with Standard Chartered Bank.

In the year ended December 31, 1980 Sperrin achieved pre-tax profits in excess of £250,000. The directors state that profits in the current year are in excess of budget on an increased turnover.

Sperrin, which is based in Coleraine, Northern Ireland, produces high quality warp knitted fabrics for the clothing and *furnishing industries selling to* 22 countries.

COMMON BROS. SELLS TANKER

Common Brothers has com*pleted the sale of one of its* product tankers, MV Newburn, for a total consideration of some £7m cash.

Some £3m of the net proceeds after all expenses and charges—including a contribution towards *new coatings in the cargo tanks*—will be used to reduce the bank borrowing raised in connection with the purchase. Balance of proceeds will be employed as working capital.

NO PROBE

Pergamon Press of a controlling interest in BPC is not to be referred to the Monopolies Commission.

Shareholders challenge Pearson offer

By David Lascelles in New York

A SUIT to enjoin S. Pearson and Son's tender offer for up to 519,289 shares of Cedar Point, the Ohio-based amusement parks company, has been filed in Federal court by four shareholders, Cedar Point said yesterday.

A spokesman for the company said he was unable to provide any further details of the suit.

S. Pearson, which already owns 10 per cent of Cedar Point, is seeking to raise that stake to about 25 per cent with an offer of $34.95 a share. Cedar Point's directors have recommended shareholders to accept the offer, which expires this evening. No *time has been set for a hearing* of the suit.

BAIRD BUYS STAKE IN SPACECOAT

Baird Textile Holdings, a *subsidiary* of William Baird, is purchasing 50 per cent of the capital of Spacecoat Garments for £50,000 cash plus a deferred consideration up to £75,000, depending on future profits.

Spacecoat has international *supply rights to an insulating* material developed by NASA technology for the U.S. astronauts.

The Baird Group is entering this field because the continuing energy problems of the 1980s *make* it essential to produce clothing with energy saving material which can be worn both indoors and out. Spacecoat and other companies within the group will be marketing garments insulated with this material for household, sporting, medical and military uses and for casual outerwear.

NEGRETTI & ZAMBRA

Industrial and Commercial Finance Corporation on March 30, acquired 75,000 ordinary shares in Negretti and Zambra at 24½p.

ICFC, an associate of Negretti, intends to assent these shares to *the offer from* Western Scientific Instruments.

UTD. BISCUITS

Sir Hector Laing, chairman of United Biscuit Holdings, disposed of 37,000 shares from his beneficial interest on March 27. He also sold 148,000 shares from his trustees interest, and on March 30 disposed of a further 50,000 from that account.

Mr. C. A. Fraser, director, is also a trustee in those trusts so his interests are reduced in the same extent. He sold 148,000 plus 50,000 shares.

All transactions were at 110p per share.

KIO/ROYAL BANK OF SCOTLAND

Kuwait Investment Office has shed a small part of its holding in Royal Bank of Scotland, which recently agreed to merge with Standard Chartered Bank.

KIO has sold 550,000 shares, leaving it with a stake of 15.27m shares (6.8 per cent) in Royal Bank. Late last week, shares in Royal Bank moved above the bid price of around 140p on rumours, later denied, of a possible counter-bid.

ALCAN SCHEME APPROVED

At a meeting held at the direction of the Court, shareholders of Alcan *Aluminium* (UK) approved the proposed acquisition by Alcan Aluminium Ltd. of the 10,058,533 shares in their company which it does not already hold.

Subject to the sanction of the High Court *and listing being* granted for the new common shares to be issued on the London and New York stock exchanges, the new schemes of arrangement *will become* effective on or about April 16.

Price for Cow & Gate agreed

BY CHARLES BATCHELOR IN AMSTERDAM

Nutricia, the Dutch dairy and *foodstuffs group, is to finance its* purchase of Unigate's Cow and Gate division with a share issue worth Fl 17.2m (£3.3m) at the current stock market price. The deal will give Unigate a stake of 23.46 per cent in Nutricia with *the option* to acquire a further 5 per cent after three years.

Final agreement has now been reached on the deal, which will lead to Nutricia doubling its turnover of baby foods and products for clinic use. *The com*bined company will be the third largest in the European baby food market with sales of more than £50m.

The first stage of the takeover will involve the issue of nearly *442,000 Nutricia shares. If Uni*gate takes up its option a further 98,000 new shares will be issued at Fl 60 per share, a total of Fl 5.9m. The stock market price is Fl 39.

Nutricia said it expects Cow and Gate to *start making an im*portant contribution to profits within the next two to three years. Nutricia has no plans for major changes at Cow and Gate.

Nutricia hopes for early benefits from the merging of the two companies' marketing activities. Cow and Gate is strong in India, Pakistan, parts of Africa, Sri Lanka and the West Indies while Nutricia is well represented in Continental Europe.

The Dutch unions, which have a right to be consulted on takeovers, have come out in favour of the deal. Nutricia has sought approval from the British and *Irish authorities. Cow and Gate* has its headquarters in Trowbridge and production plant in Wells and Wexford in Ireland. It employs 430 people.

Nutricia has just announced a sharp recovery in its profits in *1980 and proposes resuming its* dividend payment. It has annual turnover of Fl 494m and employs 2,500 people.

Nutricia results, Page 21

DEANSON TO BUY WILKES FORMS

Deanson (Holdings) is buying Wilkes Business Forms from James Wilkes for £50,000 cash. The net asset value of Forms is £215,795 and the net loss before *tax for 1980 £116,474.*

The combination of Forms and the existing operations of Deanson's business form manufacturing subsidiary will provide increased penetration of the market and allow more effective utilisation of existing resources.

Wilkes expects an improvement in its group profitability to result from the disposal of this loss-making activity.

CRAY ELECTRONICS

Cray Electronics has acquired Capacity Engineering (Tools) an unlisted, privately-owned engineers' tools merchant.

The total consideration was £84,030, equivalent to the value *of the assets transferred*, satisfied by the issue of 84,030 new ordinary shares of 10p each of Cray of which 21,030 have *been placed with leading institu*tions on behalf of the vendors by Capel-Cure Myers, brokers to Cray.

ENGLISH ASSN./ U.S. INDUSTRIES

English Association Trust has sold to Clabir Corporation the holding, amounting in total to 95,500 shares and acquired on behalf of clients, in U.S. *Industries Inc.*

U.S. Industries has sought to prevent the continued holding or enlargement of the stake in the company which has recently been purchased by English Association and Clabir through the market.

Although English Association believes that the grounds on which U.S. Industries has advanced are completely without merit, it decided to sell the holding to minimise the expense and inconvenience of further proceedings in the United States. English Association continues to enjoy entirely satisfactory relations with Clabir.

BAHCO HAS 69& OF RECORD RIDGWAY

Acceptances of the offer by Bahco for Record Ridgway, together with shares previously purchased, total 96 per cent of the company's issued share capital. The offer was declared unconditional last month.

Eva offer extended further

Anglo Indonesian Corporation, the tea and rubber estate group, has extended its offer a second time for Eva Industries, the agricultural tool maker and engineer, despite minimal acceptances so far.

Anglo launched its surprise 40p per share "technical" bid for *Eva at the end of January*, after acquiring a small parcel of shares from BAT Industries and taking its holding in the company up to 30.62 per cent.

The total holding of AIC and holders acting in concert with it (excluding acceptances)amount to 40.31 per cent. Before the first extension of the offer AIC received acceptances representing 3.51 per cent of Eva's capital. The level of acceptance has now *risen to 3.77 per cent of share*holders an dthe offer is being extended to April 13.

When AIC launched its bid it was made clear that the com*pany had no desire to own all* of Eva, and wanted the company to continue as an independent listed company working closely with AIC.

The independent directors of Eva have already rejected the offer which is well short of asset value. Eva shares closed unchanged at 40p yesterday.

RENWICK GROUP

Kangra *will not be extending* its offers for Renwick Group. Ordinary acceptances total 2,155,956 shares and with shares held before and acquired during offer period makes 89.26 per cent *of the ordinary.*

LONDON TRADED OPTIONS

(Mar. 31 Total contracts 2,456)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	360	22	8	40	—	52	—	378p
BP	390	9	32	26	—	34	1	"
BP	420	2	3	14	2	22	2	"
BP	500	½	5	3	—	—	—	"
Com. Union	140	29	15	55	—	38	—	166p
Com. Union	160	9	55	19	56	24	20	"
Com. Union	180	5	—	10	72	13	6	"
Cons. Gold	420	47	30	73	—	82	6	466p
Cons. Gold	460	15	36	48	—	65	—	"
Cons. Gold	500	—	—	33	25	42	—	"
Cons. Gold	550	—	—	15	40	25	—	"
Cons. Gold	588	1½	—	6	31	—	—	"
Courtaulds	50	4	43	8	25	10½	—	62p
Courtaulds	70	1	—	3½	60	6	—	"
GEC	600	77	—	97	10	112	—	676p
GEC	650	28	2	57	3	77	—	"
Grand Met.	180	17	84	26	86	31	—	196p
Grand Met.	200	5	55	13½	178	18½	5	"
ICI	220	30	—	40	—	50	13	244p
ICI	240	13	31	30	18	38	—	"
ICI	260	3	50	16	118	30	3	"
ICI	280	¾	—	9	5	20	16	"
ICI	300	½	4	4	7	12	4	"
ICI	350	½	50	2½	—	—	—	"
ICI	360	½	10	1½	—	—	—	"
Land Sec.	330	99	—	105	1	—	—	427p
Land Sec.	390	41	1	52	—	67	—	"
Land Sec.	420	14	31	32	8	47	—	"
Marks & Sp.	100	26	2	31	—	—	—	125p
Marks & Sp.	110	16	12	22	—	28	14	"
Marks & Sp.	120	7	2	13½	5	17½	—	"
Marks & Sp.	130	2½	5	8	—	12½	—	"
Shell	360	22	7	44	—	56	—	374p
Shell	390	8	33	24	9	34	—	"
Shell	460	½	5	4	2	12	—	"
Totals			611		761		91	
		May		August		November		
Barclays B'k	360	30	4	47	—	55	—	383p
Barclays B'k	390	15	50	30	—	35	—	"
Imperial Gp.	70	4½	80	8	—	9½	—	72p
Imperial Gp.	80	¾	—	3	—	4½	3	"
Lasmo	550	60	11	74	10	87	—	589p
Lasmo	600	30	1	50	—	72	—	"
Lasmo	700	5	10	18	—	27	—	"
Lonrho	80	7	11	13½	25	17	25	92p
Lonrho	100	3½	30	8½	69	11	2	"
Lonrho	110	1½	38	5	—	7	—	"
Lonrho	120	½	100	2	10	—	—	"
P. & O.	110	41	28	41½	—	—	—	149p
P. & O.	130	21½	52	25½	12	29½	—	"
P. & O.	140	12	48	19½	2	22½	12	"
P. & O.	160	3	29	5	293	13½	2	"
Racal Elec.	360	37	4	60	—	65	—	379p
Racal Elec.	390	15	2	33	51	48	—	"
RTZ	494	13	1	—	—	—	—	466p
RTZ	500	—	—	27	4	45	—	"
Totals			495		456		44	

Firth calls a halt to talks

Directors of G. M. Firth (Metals), the Bradford steel stockholder, are not proceeding with the discussion, announced at the beginning of February, which could have led to a considerable "enlargement of the group's operations."

In February, Firth revealed it was *in discussions with a third* party. At the time it was indicated that the group was not moving out of its present sphere of activity.

On the abandonment of the talks, the directors said they are actively considering alternative proposals to expand the activities of the group.

Firth announced a fall in pretax profits of £32,000 to £57,000 for the first half of 1980-81 on a substantially lower turnover of £1.45m (£3.12m), largely reflecting the closure of two subsidiaries.

The profit for the whole of 1979-80 amounted to £177,156. Steel stockholding activities contributed £141,225 and property development and dealing £35,931. The group showed record profits of £903,544 in 1973-74.

F.C. Finance has better second half

IN 1980, F. C. Finance plunged from a pre-tax surplus of £430,000 to a loss of £277,000, on turnover up from £60.56m to £64.58m, despite turning in a profit in the second half.

The dividend has been omitted, whereas last time an interim and final each of 1.1p were paid.

At the midway stage this hire purchase, capital equipment leasing, industrial banking and property finance company incurred a pre-tax loss of £440,000 (£410,000 profit).

Trading profit for the year came out at £8.75m (£7.57m), and interest charges were £9.21m (£7.24m). The share from associated companies was £184,000 (£100,000).

After a tax credit of £161,000 *(£97,000 charge)* the net loss came out at £116,000 (£333,000 profit). The stated loss per 25p share emerged at 2.1p (4.3p earnings).

On a current cost basis the loss before tax came out at £1.7m and the loss per share at 22.5p.

Harvey and Thompson going to USM

Harvey and Thompson, the pawnbroker and retail jeweller, previously traded under the 163 rule is coming to the Unlisted *Securities Market.*

For the year end June 30, 1980 pre-tax profits were £159,258 on a turnover of £1.5m as against profits of £159,230 on turnover of nearly £1.3m the *previous year.*

Commenting on the prospects for the current year, the directors state that turnover for the eight months is comparable to last year's total, with reduced sales of retail jewellery counterbalanced by an increase in pawnbroking.

However, expenses are said to be higher largely due to reorganisation costs associated with the acquisition of Brents, the retail jewellers in Bristol, and Chapmans, the jewellery and pawnbroking company in Clapham Junction.

Harvey and Thompson, founded in 1897, is the largest UK pawnbroker with eleven pawnbroking outlets, five of which also trade as money lenders.

MINING NEWS

BP's Clutha coal arm runs into losses

BY KENNETH MARSTON, MINING EDITOR

WHILE mining companies are acting as something of a magnet to the oil majors, British Petroleum *may now be less than* starry-eyed about natural resource ventures. Already the group has had to countenance disappointing results in Australia at Seltrust Holdings and has attracted criticism over the coal contract awarded to its 50 per cent-owned Winchester South mine in Queensland.

Now comes news of the first loss since 1973 at BP's Clutha Developments, the biggest coal *group in New South Wales.* Our Sydney correspondent reports that Clutha has made a loss of A$5.4m (£2.8m) for 1980 compared with a profit of A$4.1m in the previous year.

The reversal has resulted from *industrial unrest and congestion* at the ports in New South Wales. It follows other disappointing results from NSW coal producers, including Austen and Butta, Coal and Allied Industries and Bellambi.

*Ironically, Clutha paid in*creased rail freight and loading charges last year of just under A$28m, while the port troubles *resulted in the company running* into demurrage charges of A$1.99m and a further A$485,000 was incurred in diverting coal to Newcastle because of the lack of loading capacity at Sydney and Port Kembla.

Clutha also lost 40,000 man days at its mining locations, an increase of 120 per cent over the previous year. This lowered coal production to 7.4m tonnes from 7.9m tonnes and, because of the port congestion, the com*pany was only able to ship just* over 5m tonnes.

However, Mr. Fred Millar, the chairman, is confident that the company will win significant price rises in coal contract negotiations with the Japanese and this will provide a small profit in the current year.

The NSW producers will probably have to settle for a coal price below the A$57.10 per tonne that they are seeking, but they should still get a consider*able rise over the current price* of A$37.60.

Mr. Millar said that last year's poor results—the first loss since 1973—will not interrupt the company's capital spending which is scheduled to rise to *A$47m from A$34.2m in the* current year. Most of this will go to developing the new Pike's Gully underground mine.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals.

TODAY

Finals—Babcock International, Guardian Royal Exchange Assurance, Hiltons Footwear, Legal and General Assurance, Maclarlane (Clansman), Molins, Phicom, Phoenix Assurance, Reckitt and Colman, Spirax-Sarco Engineering, Sun Alliance and London Insurance, Weir Group.

FUTURE DATES

Interim—

Bryant .... Apr. 6

Finals—

Armitage Brothers	April 2
Associated Book Publishers	April 9
Black and Edgington	April 2
Brown Boveri Kent	April 10
Desoutter Brothers	April 2
Empire Stores (Bradford)	April 8
Erith	April 13
General Investors & Trustees	April 9
Lec Refrigeration	April 8
Royal Worcester	April 8
Thurgar Bardex	April 2

Vogels' cautious on increase for dividends

THE need to consedve funds for favourable investment opportunities likely to develop in the weak market that is seen for base metals, coupled with a likely decline in tin income, moves Mr. B. R. van Rooyen, chairman of South Africa's Vogelstruisbult Metal Holdings to caution shareholders against counting on any dividend increase for this year.

Despite this cautious view, the shares at 95p to yield 9.4 per cent seem fairly-priced in *the light of an end-1980 net asset* value of 359 cents (201p) per share and a portfolio containing some good growth investments.

These include a holding of 1.25m shares in Sasol and a very small stake in the Consolidated Gold Fields-Phelps Dodge Black Mountain base metals venture. The latter started production in January last year and produced 2,743 tonnes of copper, 85,088 tones of lead, 136 tonnes of silver and 16,764 tonnes of zinc in concentrates. It made a profit of R29.2m. Loan capital was R122.1m.

In terms of value, the major components of Vogels' portfolio are: Coal and oil 53 per cent, *tin 22 per cent, zinc 21 per cent.* The income break-up is: Tin 37 per cent, coal and oil 30 per cent and zinc 27 per cent.

Malayan Tin at £3.7m for first six months

THE ENLARGED Malayan Tin Dredging made a net profit of Ma$19.16m (£3.74m) in the six months to December 31, a period *which included* the post-acquisition results of the subsidiaries for five months.

The latest earnings are swelled to Ma$42.29m following a writing back of the dredge spares provision; this results from the *merger* because the group is now considered to be large enough to cover year-to-year distortions of profits arising from the periodic replacement of major dredge spares.

It is stated that negotiations continue on the proposed merger with Malaysia Mining Corporation and an announcement will be made regarding the next dividend as soon as the terms of the merger are finalised.

* * *

Lower coal and coke sales arising from industrial unrest and disruption of railway traffic have reduced net profits for the six months to February 28 of Zimbabwe's Wankie Colliery to Z$840,000 (£574,750) from Z$2.75m.

But the net profit for the latest period is boosted to Z$10.4m by the writing back of a deferred tax provision no longer required following a successful appeal against revised tax assessments.

The interim dividend is reduced by 1 cent to 3 cents. Wankie has applied to the Zimbabwe Government for an increase in local coal and coke prices. Providing this "is made timeously, and coal and coke is moved as presently expected by the railways," Wankie believes that it will be able to maintain the year's total dividend at 10 cents.

However, our Salisbury correspondent reports that this expectation is viewed with considerable scepticism in market circles, bearing in mind the fact that the railways are unlikely to be able to move anything like the volume of railway traffic on offer in the rest of 1981.

* * *

Australia's coal-producing Umal Consolidated (formerly Utah Mining Australia) is to raise A$24m (£12.5m) via a one-for-10 rights issue of new 25 cent shares at a price of A$2.40 (125p). The existing shares were 185p in London yesterday. The new shares will not rank for the 1981 interim and will only qualify for half the final payment but will rank equally thereafter.

In December Umal made a two-for-three scrip issue and this together with the rights offer now proposed will bring the number of shares in issue to 110m. The directors forecast an annual dividend rate of not less than 11 cents.

* * *

The Australian Government has given foreign investment approval for Delhi International Oil of the U.S. and Vam of Australia to purchase the 51 per cent interest in a uranium prospect held by Wyoming Minerals, a subsidiary of Westinghouse Electric Corporation of the U.S.

Delhi and Vam have given an undertaking to comply with Government foreign investment guidelines on uranium mining by the time the project reaches the development stage. The guidelines require new uranium projects to have 75 per cent Australian equity and to be Australian controlled.

* * *

Harmony Gold has completed its drilling programme on the Leader reef in the north-eastern part of the mining property. Low values were obtained for the most part. The best intersection was in hole VZ 5 at a depth of 739 metres. The hole assayed a reasonable 6.6½ grammes gold per tonne over a width of 109.6 centimetres, equivalent to 725 centimetre-grammes.

Gencor's big long-term expenditure

SOUTH ARICA'S General Mining Union Corporation group (Gencor) envisages capital spending of about R1.2bn (£672.8m), mainly on coal and *gold, over the next five to seven* years.

As far as current year's earnings prospects are concerned, "reasonable growth" is forecast following last year's 76 per cent rise in earnings to R269.7m.

It is pointed out in the annual report that the group's industrial interests provide a bulwark against fluctuations in the gold price which is still expected to move between $450 and $600 an ounce this year.

Currently 825p to yield 10 per cent, the shares seem reasonably priced for a company of this calibre with good long-term prospects.

Appleyard £1.8m in the red—dividend omitted

FOLLOWING a loss of £845,000 at halfway, against a £988,000 profit, Appleyard Group of Companies, distributor and retailer of cars and commercial vehicles, finished 1980 with a pre-tax deficit of £1.88m compared with £652,000 profits. And, like the interim payment, the final dividend has been omitted — last year's total was 4.25p net per share.

The directors state that the year was one of the most difficult experienced by the motor industry, both in the UK and worldwide, and this inevitably had its effect on the group.

Mr. Ian Appleyard, chairman, says that the company has the benefit, in 1981, of an outstanding new model from each of its three car suppliers—the Rolls-Royce Silver Spirit, BL's Metro and Ford's new Escort are all proving winners in market sectors which are of significance, he states.

Although the current year was going to be difficult, even before the Budget, the group has now been slimmed down to a size more appropriate to the conditions, Mr. Appleyard says. "We are tackling the problems with an aggressive marketing plan whilst continuing to conserve our resources."

Turnover fell from £129.52m to £116.48m for 1980 and the pre-tax loss was after interest—including "display charges"—of £1.86m (£1.58m) and included associate earnings of £176,000 (same).

The rationalisation and closures, envisaged in the interim statement, have largely been completed and the costs totalling £1.86m, have been provided for in the accounts.

However, over the year total borrowings reduced from £7.48m to £3.35m and the company ended 1980 with an overdraft of £540,000 compared with £4.65m—total borrowings to shareholders' funds fell from 59.6 per cent to 37.1 per cent.

● comment

Most of Appleyard's attributable deficit was foreshadowed in the interim figures last autumn, when the interest charge was four times trading profits and the group announced that it would be trading at a loss for the rest of the year. In the event, losses in the second half were rather worse than expected, largely because exceptionally heavy discounting was needed to shift stocks which were being held in the discontinued businesses in Glasgow, and used vehicle values had to be written down drastically at the year end. The balance sheet shows shareholders' funds depleted by 26 per cent fater the withdrawal from Glasgow—but there is a hopeful side, in the fact that borrowings have fallen even more rapidly; gearing is now below 40 per cent. The balance of sales between Ford and BL now has a more favourable tilt in favour of the Ford dealership, which remained profitable throughout 1980. The shares advanced 3p to 56p.

Ofrex falls to £2.5m at year end

DESPITE a slump in profits for 1980, Ofrex Group, manufacturer and distributor of office supplies, is maintaining its total dividend on the increased capital at 3.67p net with a final of 2.5p.

The surplus pre-tax for the year emerged at £2.5m, down from £5.04m, on sales virutally static at £45.18m, compared with £44.47m.

At the interim stage taxable profits were lower at £1.77m (£2.59m) following a sharp downturn in the second three months of that period.

Tax for the 12 months showed a marked reduction to £61,000 (£2.09m) and after an extraordinary debit of £105,000 (nil) stated earnings per 20p share came through at 12.29p, against 14.88p.

Earnings were beneficially affected by an exceptional release of deferred tax amounting to £717,000 — otherwise earnings per share would have been 8.68p.

On a CCA basis the pre-tax profit is reduced to £206,000.

The directors state that as a result of measures taken, the organisation has emerged a much slimmer and more aggressive enterprise—confident to face what will undoubtedly be an extremely difficult year in 1981, leading to a recovery in profit levels.

● comment

When Ofrex's pre-tax figures suffered a reverse of about one third in the first half, measures were said to be under way to put a brake on the downturn in the latter part of the year. It would appear that the group's high exposure to the depressed and competitive UK market has made it harder than expecd to reverse the decline; pre-tax profits in the second half have slid 59 per cent lower than the "disappointing" half-time level. The reorganisation which has made Ofrex "slimmer and more aggressive" will certainly have taken its toll in above-the-line costs, so the trading picture may be much less bleak than the figures suggest; the maintained dividend may be a slightly better clue. But a 6p advance in the share price to 78p elevates the shares to a fully-taxed multiple of 12.6 which is looking for a substantial recovery next year. The yield is 6.9 per cent.

Pru increases its bonus rates

The Prudential Assurance Company, a member of the Prudential Corporation, has declared higher rates of reversionary and terminal bonus on with-profits contracts in both industrial and ordinary branches, following the end-1980 valuation.

For ordinary branch assurance contracts, the reversionary rate is improved by 20p to £5.10 per cent of the sum assured. The terminal bonus scale on claims from April 1, 1981 ranges from £17.70 per cent of the sum assured for entry year 1971 to £236 per cent for 1931 or earlier. The previous scale varied from £12.70 per cent to £193.50 per cent.

The net effect is to boost maturity values especially for the longer term contracts. The maturity value on a 10 year policy rises by 2.4 per cent, on a 25 year contract by 8.8 per cent and on a 40 year policy the increase is 10.6 per cent.

On individual personal retirement plans, mainly for the self-employed, the reversionary rate is lifted 30p to £7.80 per cent of the basic benefit. The terminal scale is also improved for all but the shortest durations, ranging from £10 per cent of the basic benefit and attaching bonuses for five years in force to £122 per cent for 24 years in force. The previous scale ranged from £10 per cent to £88 per cent. The final bonus remains at £68 per cent compound. These new rates improve the pension paid by 7.9 per cent for 10 year terms and by 6.5 per cent for 20 years in force.

The bonus rates on group pensions business are lifted by 30p to £6 per cent compound, with a 50p rise in terminal bonus to £2.50 per cent for each premium year.

In the industrial branch, the reversionary rate is increased by 20p to £3.40 per cent of the sum assured, while the terminal bonus scale varies from £16.30 per cent of the sum assured for entry in 1971 to £211 per cent for 1931 or earlier. The previous scale varied from £11.50 to £173.30

Increased rates for certain classes of business written overseas have been declared.

The Co-operative Insurance Society is maintaining the reversionary bonus rates in the ordinary section at £4.50 per cent of the sum assured for assurance and at £8.50 per cent of the basic benefit for annuities. For main tables in the industrial section the rate stays at £2.75 per cent of the sum assured.

However, the Society is substantially increasing its terminal bonus rates on death or maturity claims from April 1, 1981. The new scale for the ordinary section varies from 22 per cent of the sum assured after 10 years to 123 per cent for 50 or more years in force. The previous scale went from 14 per cent to 107 per cent. In the industrial section the new scale rises to a maximum of 88 per cent compared with 77.5 per cent previously.

Record rates of reversionary bonus have been declared for 1980 by Gresham Life Assurance Society following the annual valuation of its liabilities and assets.

On the new series contracts, the rate for assurances is lifted 35p to £4 per cent of the sum assured and existing bonuses. On deferred annuities it is increased by 80p to £4.75 per cent of the basic benefit and attaching bonuses. For the executive pension plan and pensionplus the increase is 50p to £7 per cent of the sum assured secured by contributions to date together with existing bonuses.

On old series assurances, the rate is lifted 35p to £3.40 per cent of the sum assured rising to £11.70 per cent for older policies.

Interim bonuses are on the same scale. The company lifted its terminal bonus rates at the beginning of the year.

Burndene omits payout

HEAVY LOSSES are reported by Burndene Investments for the six months to November 30, 1980, and no interim dividend will be paid. The pre-tax loss is £494,462 against profits of £93,225 last time. Turnover fell from £5.38m to £4.85m.

The board says the results are again very disappointing, but the recent reduction in interest rates will cut the borrowing costs of the gorup, which manufactures caravans, mobile homes and clothing, and which is also a property developer.

Interest charges amounted to £395,156 (£233,660) in the first half.

No tax was paid against £51,597, but the group is in dispute with the Inland Revenue over tax amounting to some £515,000 provided in earlier years, but considered by the directors not to be payable.

If the tax becomes payable there may be a further liability of £215,000 at November 30, 1980, being interest on arrears of tax. This amount has not been provided in the accounts, say the directors.

The caravan manufacturing division continued to trade at a loss in the opening half. Activity and stocks have been reduced, but conditions remain very difficult, says the board.

Despite the reduction in losses in the second half so far, it is anticipated that the trading loss for the full year will be similar to the £620,842 loss sustained last year.

The stated loss per 15p share is 4.8p against earnings of 0.4p—last year's interim was 0.25p, the final was omitted.

Pleasurama profits increase

Trading results at Pleasurama, the casino and leisure company, were between 10 and 15 per cent higher in the first few months of the current year, Lord Harmar-Nicholls, the chairman, said after yesterday's annual meeting.

As for the full year to September 30, he added: "The indications are all right." But he was wary of making any profit forecasts in view of economic uncertainties in the UK and overseas.

Sunbeam Wolsey tumbles

TAXABLE profits of Sunbeam Wolsey, the Cork-based hosiery and knitwear manufacturer, for 1980 slumped from Ir£1.48m to £325,959 and the total dividend is being halved to 2p net. Sales were £2m lower at £22m.

The pre-tax surplus for the 12 months included an employment subsidy of £302,950 (£414,451).

There was a tax credit of £71,970 (£299,917 charge) and stated earnings per 25p share emerged lower at 4.02p (13.59p) and before the employment subsidy at 0.24p (8.5p).

Bunzl slips but lifts payment

PRE-TAX profit of Bunzl Pulp and Paper for 1980, fell from £13.28m to £11.15m on turnover —excluding that from associates —of £169.53m, compared with £183.2m. Last year's turnover figure has been restated to take account of the sale of Bunzl and Biach AG.

The pre-tax profit figure includes earnings from associates of £2.77m (£3.28m) and losses on discontinued operations of £482,000 (£1.9m).

At the half-year stage the company made a pre-tax profit of £6.02m (£8.18m).

After tax for the year of £3.92m (£5.45m), minorities of £531,000 (£757,000) and an extraordinary debit of £11,000 £517,000 credit), the amount attributable emerged at £6.69m (£7.6m).

The final dividend is 3.02p (2.74p) net per 25p share, making a total of 7.23p (6.57p). Stated earnings per share emerged at 25.8p (27p).

CCA profit before tax came out at £5.4m.

Freehold properties were revalued during the year resulting in a surplus of £12m. Net cash at the year end was £5m and shareholders funds per share now stand at 237p per share.

The directors say that sound progress is being made in the search for new opportunities both at home and abroad, particularly in the U.S., Germany and Australia.

The principal activities of the group are the manufacture of cigarette filter materials, paper and paper products, packaging materials, plastics products, non-woven textiles and merchanting pulp, paper and paper products.

● comment

Bunzl has not done badly in a difficult year; its overseas profits remained identical to 1979 and the UK manufacturing side succumbed to sector-wide problems. Hardest hit were the filter and packaging businesses. The adhesive materials divisions in the UK and Ireland made a loss of between £300,000 and £400,000 last year. The carpet backing and data services operations were closed down and the group shaved 10 per cent (500) off its workforce. Because around 60 per cent of Bunzl earnings are now from overseas, sterling took an especially heavy toll, costing around £1.4m in forfeited profits. But the company has a strong balance sheet with net cash of £5m and is hoping for the much-desired UK upturn. Perennial bid rumours continue and Bunzl's net asset value per share is now 237p, which is 100p above yesterday's share price. The p/e on a full tax charge works out at 7.3, which does not look expensive; the yield on a 10 per cent higher total net payout is nearly 8 per cent.

Peachey Props. overrides setback to move ahead

BY WILLIAM COCHRANE

DESPITE A £217,000 decline in profits on trading property, due to the slow down in the residential market in the latter part of 1980, Peachey Property Corporation has reported pre-tax profits £62,000 higher at £1.85m for the six months to December 25.

Net rents rose by £272,000 to £1.73m compared with a £218,000 increase to £1.95m at the gross rent level. The differential, says managing director Mr. John Brown, reflects the continuing removal of residential properties and their high running costs from the company's portfolio.

He adds: "This was the half-year when Peachey stopped being a seller, apart from residential properties, and began to be a buyer." In November last year the company raised £6.9m by a one-for-four rights issue, following this in January with an agreed £10.5m bid for Avenue Close.

Lord Mais, chairman, notes that the rights issue proceeds were available for only one month of the first six. Interest payable for the period fell by £126,000 to £242,000.

The Avenue Close acquisition, Lord Mais says, will enlarge and enhance Peachey's portfolio, particularly in offices which represent well over half of the value of Avenue Close's properties with the balance in retail and industrial units. It will also provide an opportunity to add to the company's development and refurbishment programme.

"Progress will continue to be maintained in the second half year," Lord Mais concludes. The interim dividend is held at 1.5p

EUROPEAN OPTIONS EXCHANGE

Series		June Vol.	June Last	Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	Stock
GM C	$50	12	4⅛	—	—	—	—	$58⅛
GM C	$60	1	1¼	—	—	—	—	
SEAR C	$20	5	⅝	—	—	—	—	$18⅝
		April		July		Oct.		
ABN C	F.280	4	11.50	—	—	—	—	F.289
ABN C	F.300	15	1.70	10	4.50	—	—	
AKZO C	F.15	15	7	—	—	—	—	F.22.10
AKZO C	F.17.50	75	4.50	20	4.80	10	5.50	
AKZO C	F.20	399	2.20	553	2.80	26	3.80	"
AKZO C	F.22.50	147	0.60	279	1.40	21	2.50	"
AKZO C	F.25	75	0.10	—	—	—	—	"
AKZO P	F.20	3	0.30	—	—	—	—	"
AKZO P	F.22.50	10	0.90	44	1.20	—	—	"
KODA C	$60	—	—	1	22 B	—	—	$81⅞
KODA C	$80	15	5	—	—	—	—	"
HEIN C	F.55	34	4.50	—	—	—	—	F.56.50
HEIN C	F.60	—	—	—	—	20	3.30	"
HOOG C	F.15	15	3.50	—	—	—	—	F.18.20
HOOG C	F.17.50	15	1	—	—	—	—	"
IBM C	$60	—	—	—	—	12	8	$62
IBM C	$65	—	—	10	3	—	—	"
IBM P	$70	13	¼	—	—	—	—	"
IBM P	$65	15	3½	—	—	—	—	"
KLM C	F.60	—	—	—	—	40	38	F.96.50
KLM C	F.70	5	29.50	—	—	—	—	"
KLM C	F.80	51	19.30A	65	20.50 A	—	—	"
KLM C	F.90	81	11	72	15.50 A	—	—	"
KLM C	F.100	264	6	65	9.50	1	12	"
KLM C	F.110	89	2	84	5.30 A	7	7	"
KLM C	F.70	—	—	6	1	—	—	"
KLM P	F.80	50	0.70	11	2.70	—	—	"
KLM P	F.90	23	2.20	25	5.10	—	—	"
KLM P	F.100	35	6.50B	24	8.50	40	12	"
NATN C	F.120	17	3.30	2	5.50	—	—	F.121.30
NATN C	F.125	—	—	10	2.80	4	3.80	"
NATN P	F.110	—	—	—	—	10	1	"
PHIL C	F.15	92	4.60	5	4.90	—	—	F.19.50
PHIL C	F.17.50	298	2.20	156	2.60	—	—	"
PHIL C	F.20	91	0.40	330	1.10	532	1.50	"
PHIL P	F.15	—	—	10	0.10	—	—	"
PHIL P	F.17.50	—	—	10	0.50	15	0.60	"
PHIL P	F.20	20	1	10	2	—	—	"
POLA C	$25	5	4⅝	—	—	—	—	$29⅝
POLA C	$30	—	—	—	—	6	4¾	"
RD C	F.85	27	8.40 A	—	—	—	—	F.92.80
RD C	F.90	25	5	30	7.30	4	8.50	"
RD C	F.95	111	1.90 A	49	4.50	—	—	"
RD C	F.100	52	0.70	192	2.70	—	—	"
RD C	F.110	46	0.20	34	1	3	2.40	"
RD C	F.120	—	—	100	0.30	—	—	"
RD P	F.90	207	0.80	14	3.20	1	5 A	"
RD P	F.95	233	3.10	88	5.70	—	—	"
RD P	F.100	136	7.20	14	10	—	—	"
UNIL C	F.120	10	15.20 B	—	—	—	—	F.136.20
UNIL C	F.130	2	6.70	12	8.10	—	—	"
		May		Aug.		Nov.		
BOEI C	$35	—	—	6	3¾	—	—	$34⅞
BOEI P	$35	26	1¾	—	—	—	—	"
BASF C	DM.130	6	3	—	—	—	—	DM131.78
MANN C	DM.130	—	—	10	4	—	—	DM126
SLUM C	$110	—	—	—	—	1	10	$102½
VW C	DM.160	—	—	4	5.10	—	—	DM157.50
VW C	DM.170	—	—	4	1.20	—	—	"

TOTAL VOLUME IN CONTRACTS 5911

A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	12 %	■ Hambros Bank	12 %
Allied Irish Bk.	12 %	Heritable & Gen. Trust	12 %
American Express Bk.	12 %	■ Hill Samuel	§12 %
Amro Bank	12 %	C. Hoare & Co.	†12 %
Henry Ansbacher	12 %	Hongkong & Shanghai	12 %
AP Bank Ltd.	12 %	Keyser Ullmann	12 %
■ Arbuthnot Latham	12 %	Knowsley & Co. Ltd.	14 %
Associates Cap. Corp.	12 %	Langris Trust Ltd.	12 %
Banco de Bilbao	12 %	Lloyds Bank	12 %
BCCI	12 %	Mallinhall Limited	12 %
Bank of Cyprus	12 %	Edward Manson & Co.	13 %
Bank of N.S.W.	12 %	Midland Bank	12 %
Banque Belge Ltd.	12 %	■ Samuel Montagu	12 %
Banque du Rhone et de la Tamise S.A.	12½ %	■ Morgan Grenfell	12 %
Barclays Bank	12 %	National Westminster	12 %
Beneficial Trust Ltd.	13 %	Norwich General Trust	12 %
Bremar Holdings Ltd.	13 %	P. S. Refson & Co.	12 %
Brit. Bank of Mid. East	12 %	Rossminster	12 %
■ Brown Shipley	12½ %	Ryl. Bk. Canada (Ldn.)	12 %
Canada Perm't Trust	13 %	Slavenburg's Bank	12 %
Cayzer Ltd.	12 %	E. S. Schwab	13 %
Cedar Holdings	12 %	Standard Chartered	‖12 %
■ Charterhouse Japhet	12 %	Trade Dev. Bank	12 %
Choulartons	12 %	Trustee Savings Bank	12 %
C. E. Coates	12 %	TCB Ltd.	12 %
Consolidated Credits	12 %	United Bank of Kuwait	12 %
Co-operative Bank	*12 %	Whiteaway Laidlaw	12½ %
Corinthian Secs.	12 %	Williams & Glyn's	12 %
The Cyprus Popular Bk.	12 %	Wintrust Secs. Ltd.	12 %
Duncan Lawrie	12 %	Yorkshire Bank	12 %
Eagil Trust	12 %		
E. T. Trust Limited	12 %		
First Nat. Fin. Corp.	14½ %		
First Nat. Secs. Ltd.	14½ %		
Robert Fraser	12 %		
Antony Gibbs	12 %		
Greyhound Guaranty	12 %		
Grindlays Bank	‡12 %		
■ Guinness Mahon	12 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.

† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 9¾%, and over £50,000 10½%.

‡ Call deposits £1,000 and over 9½%.

§ Demand deposits 9½%.

‖ 21-day deposits over £1,000 10¼%.

Dufay Bitumastic result dives

PROFIT before tax of Dufay Bitumastic, for 1980 plunged from £611,000 to £40,000 on turnover down from £11.08m to £10.72m. On a CCA basis the pre-tax figure emerged as a loss of £615,000.

At the half year stage, this company, which manufactures and applies surface coatings, made a pre-tax profit of £78,000 (£208,000) on turnover of £5.6m (£5.15m). No interim dividend was paid compared with 1.2p per 10p share last time.

The directors say that current bank borrowings are in the region of £200,000, putting the group in a strong financial position. Reorganisation already partially completed will leave the company much trimmer and better able to weather the difficult times ahead.

They have proposed a dividend for the year of 2p net compared with a final last year of 1.48p, making a total of 2.68p. This level of dividends absorbs £223,000 (£297,000).

Depreciation for the year came out at £235,000 (£215,000) and interest charges were £280,000 (£219,000). After a tax credit of £420,000 (£87,000 charge) the attributable profit emerged at £443,000 (£524,000).

The stated earnings per share are 4.1p (4.7p), 4.1p (4.2p) fully diluted. The net asset value per share is 52.1p (47.2p).

Pre-tax profit of Dufay Bitumastic subsidiary Dufay Titanine came out at £201,000 (£376,000) for 1980, on turnover of £6.6m (£6.45m). The company had a tax credit of £135,000 (£26,000 charge), and dividends absorbed £200,000 (same). On a current cost basis there was a pre-tax loss of £46,000.

● comment

Last year is probably one Dufay will be pleased to forget. The group would have traded at a loss if it had not been for a contribution from its painting and ink print subsidiary, Dufay Titanine. But even this subsidiary saw margins shrink in the second half with profitability 18 per cent down on 20 per cent higher volume. Elsewhere there was little to lift the gloom. Dufay has reacted by wooing private companies, one of which now replace British Steel as its chief customer, transferring its manufacturing capacity at Gravesend to Shildon, making nearly a third of its staff redundant and putting the Gravesend factory, which stands on 3½ acres site, up for sale. The first half of this year has started on a brighter note, the factory closure is expected to save Dufay about £350,000 a year and the sale of the property should go towards paying off the overdraft, down from £1m to £200,000, and setting up a manufacturing offshoot in Greece designed to tap the lucrative Middle East market. In addition, although earnings at Titanine remain under pressure, the group has won more pipeline contracts in the first two months of 1981 than the whole of the first half of last year. The shares at 33p yield nearly 9 per cent.

Lake & Elliot climbs back with sharp rise in sales

Steel castings manufacturer Lake & Elliot climbed back into the black for the half-year to the end of January 1981 on substantially increased sales of £13.05m (£9.46m).

Taxable profits were £306,000, compared with a loss last time of £850,000. There was again no tax charge.

The group is paying an interim dividend of 1p and the board hopes to recommend a total for the year (14 months) of not less than the previous year's payment of 2p.

The chairman says the increased turnover was achieved at the expense of margins and the order bank.

He also reports that the group is in the advance stages of purchasing a business in the U.S. and is negotiating a joint venture for valve servicing in South-East Asia.

● comment

The last three half years have seen Lake and Elliot incur a loss of £850,000 and then recover to a surplus of £1.08m before subsiding back to a profit of £306,000. The shares, in the meantime, have moved from a 1980-81 low of 30p to hit a peak yesterday of 42p with a 3p rise. If, as seems quite possible, the dividend is held at 2p per share for the current 14 month period, the prospective yield is just under 7 per cent. The market may be short of stock in the engineering sector but here, as elsewhere, the rating seems to be looking at the benefits of cost cutting and perhaps the time scale of industrial recovery in the best possible light. Lake has indeed cut heavily in its principal loss-maker, the jack division, where pruning at a cost of perhaps £250,000 will eliminate doubled first half losses of around £200,000. The cash position is still healthy and the group is about to buy an important (by its own standards) valve business in Houston for a deferred consideration of $1.35m. But margins are getting even tighter and there is no sign of an upturn in the valve and steel order intakes: the market for engineering shares is going only one way at present but it may be worth noting that since January the foundry order book is a fifth down.

Charterhall upsurge

THE UK-BASED oil and minerals group Charterhall reports increased net profits for the half-year to end December 1980 of £84,787, compared with £19,523 in the same period in 1979.

The company is passing the interim dividend owing to further delays in the start-up of oil production from the Buchan oil field in the North Sea.

Total income rose to £694,494 from £491,689. Interest receivable advanced to £353,064 from £115,695 and interest payable increased to £61,907 from £57,783. The charges for depreciation and amortisation rose to £21,344 from £14,418.

The delay in the start-up of oil production at the Buchan field, where Charterhall has a 0.316 per cent working interest and a 4.013 per cent net production interest, is due to commissioning problems combined with extremely difficult weather conditions.

If there is no substantial delay to production from the Buchan field the company intends to declare a final dividend for the current financial year provided the final results can support the payment.

Charterhall's shares rose 7p to 77p.

Tom Mayer heads EMI Electronics

Mr. Tom Mayer has been appointed chairman and managing director of EMI ELECTRONICS, a member of the Thorn EMI group. Mr. Mayer will also be responsible for EMI-Varian, EMI-MEC, and UPM. His appointment follows the retirement of Dr. P. A. Allaway from that post.

Mr. Tom Mayer

Aged 52, Mr. Mayer joins Thorn EMI from GEC Marconi where he had been managing director of Marconi Communication Systems since 1969. In that capacity he was responsible for the company's broadcasting division, radio and line communications division, space-microwave division and defence communications division. He had previously held a number of senior executive positions in the Marconi Group.

Mr. G. J. Strowger, a non-executive director of Thorn EMI, has retired from that board. He joined the company in 1943, became a director in 1966 and was managing director from 1970 to 1979 when he retired from executive duties.

★

Mr. Denis Allport, chairman and chief executive of Metal Box, has become a non-executive director of BEECHAM GROUP.

★

Mr. L. N. G. Pace retires from HENDERSON CROSTWAITE & CO., stockbrokers, and will continue as a consultant from April 30. Mr. S. A. Evans also retires and will remain as an associate from that date. Mr. D. L. Booth joins the partnership on May 1st.

★

Mr. M. F. Smith is to retire from the partnership of MONTAGU LOEBL STANLEY AND CO., stockbrokers, on April 22.

★

Mr. W. Major has been appointed chief general manager of EUROPEAN ARAB BANK, London.

★

Mr. Ronnie Irving has been appointed managing director of JAMES HARRISON (CONTRACTS). West Lothian-based general contracting company within the Barratt Group. The post was previously held by Mr. Bill Todd who has retired due to ill health.

★

Mr. Michael S. Harvey has been appointed to the Boards of ROBT. BRADFORD AND CO. and ROBT BRADFORD HOBBS SAVILL in place of Mr. David E. Richards who has retired. Robt. Bradford and Co. is the UK-based insurance broking subsidiary of the Sime Darby Group.

★

Mr. Leon Levy, chairman of the Board of Oppenheimer (Holdings) Inc., has been appointed a non-executive director of ELECTRA INVESTMENT TRUST.

★

Newcastle-based building contractor P. WHELAN has appointed Mr. Gil Crawshaw deputy managing director, Mr. Joe Grieves contracts director and Mr. Ted Ward commercial director.

★

Mr. Merrik Baggallay, WIGGINS TEAPE'S associate director (industry affairs) is retiring on health grounds.

★

Sir Robert L. E. Lawrence, chairman of the National Freight Corporation, has accepted invitations to become a non-executive director of WILLIAM TOWNSON AND SONS, and TOWNSON DEVELOPMENTS (LANCS), construction and industrial development group.

★

Mr. Bryan Hildrew has been elected chairman and Mr. G. J. Mortimer vice chairman of the COUNCIL OF ENGINEERING INSTITUTIONS for the period 1981-1982.

★

Mr. C. Francis Cole will relinquish his appointment as chairman and director of ANGLO-SWISS REINSURANCE BROKERS U.K. from October 31, but will remain in a consultative capacity with the company. From April 1, Mr. Colin Burton Stewart becomes a director of the company.

★

Mr. A. C. H. Gregory has been appointed joint managing director with Mr. P. J. Trentham of G. PERCY TRENTHAM for a term ending May 31, 1983.

★

Mr. Brian Jenkins has been appointed managing director of GOLD CROWN FOODS, a subsidiary of Argyll Foods.

★

Mr. Michael Hartnall has been appointed chairman and managing director of SWIFT AND COMPANY following the departure of Mr. Brian Jeffrey, who has resigned.

★

Mr. Graham Griffiss has been appointed managing director of C. T. COMPUTER SERVICES, software and consultancy arm of Portfolio Administration.

Price no obstacle to Rolls in U.S.

By Ian Hargreaves in New York

"IT WILL BE a question of *how many we can make rather* than how many we can sell." That is the kind of thing the chief executive of Rolls-Royce Motors is supposed to say, and yesterday Mr. George Fenn, the present holder of that office, had no hesitation about saying it inside the Tavern on the Green, the spectacular restaurant on the most fashionable side of New York's Central Park.

Mr. Fenn was there to supply the initial coat of polish to Rolls's introduction of its new Silver Sprite and Silver Spur models to its most important *foreign market, a market* which traditionally takes about one-third of the company's output.

Rolls, says Mr. Fenn, expects *to sell "at least 1,300"* cars in the U.S. this year—a record and up from 942 last year. That 1980 figure was a 6 per cent reduction on 1979, but *was achieved in a year when* U.S. car sales as a whole were down by 15 per cent.

Worldwide, Rolls is looking to sell about 3,400 cars this year, up from 3,163 last year. Sales in the first 10 weeks of the year, says Mr. Fenn, have been between 20 and 30 per cent higher than in early 1980.

It goes without saying that the Spur and the Spirit are among the most expensive cars money can buy, with a base price of $109,000. That *compares with a piffling* $26,113 for the most expensive General Motors product, a Cadillac limousine.

As ever, Rolls is promoting its products with a discretion well attuned to the sensibilities of its customers. Only $1m will be spent on U.S. advertising, mainly in magazines like Palm Springs Life, New Yorker and Town and Country.

The customers, says Mr. George Lewis, head of Rolls in the U.S., fall into four categories: celebrities, professional types who lease their cars, motor engineering buffs and farmers. Farmers? "people forget that is our biggest industry and that a lot of these ranchers are very *wealthy men.*"

In England, by contrast, 70 per cent of Rolls-Royces are bought by companies to pamper their chief executives.

FN Herstal suffers loss and may pass dividend

BY GILES MERRITT IN BRUSSELS

FABRIQUE Nationale Herstal (FN), Belgium's arms-to-engineering giant, has revealed that it dipped sharply into deficit in 1980.

Compared to the BFrs 148m ($43m) net profit achieved in 1979, the group suffered a BFrs 48m loss last year, and is not expected to pay a dividend. For *1970 FN paid BFrs 190 per* share.

The Liege-Based group indicated at the beginning of this year that its 1980 financial performance was unlikely to be satisfactory. It said that owing to the Belgian Government's re*luctance to grant export licences* for arms destined for a number of foreign buyers its 1980 turnover was *BFrs 16.4bn, falling* short of the BFrs 17bn target.

For 1979 FN's sales had in*creased 20 per cent over* the previous year to reach BFrs 14.32bn, but in 1980 turnover improved by only 15 per cent. FN hopes, however, that during 1981 *increased sales of its new* sporting goods range and the sale of its new Minimi machine gun to the U.S. market will lift turnover for the year to BFrs 20bn.

FN is also ascribing its 1980 losses to high borrowing charges, which it said had increased its debt servicing and repayment costs by 58 per cent over 1979 levels.

●Petrofina, the energy group which is Belgium's largest company, is stepping up its dividend for 1980 following a gain *of more than an eighth in profits.*

The dividend is going up from BFrs 230 a share to BFrs 245 and shareholders are also to *receive a scrip issue on the basis* of one-for-20.

Net earnings for the year are BFrs 9.4bn ($272m) compared to BFrs 8.3bn, an increase of 13.7 per cent.

Labatt buys Dominion Dairies

BY ROBERT GIBBENS IN MONTREAL

JOHN LABATT, the Canadian *brewery and food company* which is part of the Brascan group of Toronto, is buying the 83.6 per cent stake in Dominion Dairies, one of *eastern Canada's largest dairy* operations, held by Dart and Kraft of the U.S. for C$43.8m (U.S.$36.5m). The same offer of C$26 a share will be made *to minority Dominion share*holders.

Dominion last year earned C$5.6m on sales of C$263m. Dart and Kraft will continue to *be a major factor in the* processed foods business in Canada.

● Northern Telelcom of Montreal is planning capital expenditures in 1981 of C$188.7m down from C$225.6m last year.

In its annual report, the com*pany said it has spent about* C$526m in the last three years on new plants and equipments and additions to its electronic office systems lease base.

The corporation believes that it generally has sufficient plant capacity to support its planned *rate of growth. As a result,* plant expenditures will be lower in 1981 than in 1980, in the com*pany said.*

Northern Telecom said capital needs in 1981 will be met primarily from internally generaetd funds.

The company, as previously reported, had a net loss before extraordinary items in 1980 of *C$21.4m against a profit of* C$113.5m. Extraordinary write-offs and expense provisions in 1980 brought the final loss to C$185.2m.

The poor economic climate will continue to be a significant *factor in the first half of 1981,* the company said and it will take some months to achieve improved operating performance in the electronics office systems business, the source of the company's difficulties.

"Nevertheless, we are *cautiously optimistic that im*provement in our earnings performance will be gradually *achieved during this period."*

● The Toronto Stock Exchange said British Columbia Resource Investment Corporation's bid for shares of MacMillan Bloedel, the British Columbia forestry group, has been scheduled for April 7.

Earlier yesterday the exchange said the bid, originally set for today, was postponed because Noranda Mines of Toronto has mailed a competing offer.

First quarter reverse at Hillenbrand Industries

BY OUR FINANCIAL STAFF

A FALL in profits at Hillenbrand Industries in the first quarter of this year will be *counterbalanced by "favourable* earnings comparisons" for the rest of the 12 months, according to the group's directors.

Net profit of the group, whose *operations are divided between* the manufacture of luggage, burial caskets and hospital room equipment, slipped from $7.7m to $5.7m or $1.14 a share in the three months, although sales held up at $89.2m, against $81.6m in the comparable period last year.

For the whole of 1980, the *group earned $5.03 a share.*

The decline in first quarter *profit was caused by the sale of* a high percentage of American Tourister Luggage items at "low margin, promotional prices" in order to increase market share.

Sharp gain at Mexican bank

By William Chislett in Mexico City

BANAMEX, *Mexico's second* largest private bank, has reported a 34.9 per cent increase in net profits to 3bn pesos ($130.4m). The 1980 profit *reflects the strong business* which the country's top four banks are enjoying while meeting the demands of the oil-driven economy.

The profit was the equivalent of 36.43 pesos per share, compared with 34.59 pesos in 1979. The bank is to pay a dividend of 12.5 pesos per share.

Remington Rand seeks bankruptcy protection

By David Lascelles in New York

REMINGTON RAND, a leading name in typewriter manufacturing, has filed for protection under the U.S. bankruptcy laws, blaming its *problems on the* severe depression in the European market.

However, the privately-owned company, said that its U.S. *sales were good* and *it* hoped that its financial problems could be resolved.

Remington Rand filed under Chapter 11 of the bankruptcy code, which enables it to remain in control of its business during reorganisation. It said *it would* continue to manufacture products and provide a full service during its reorganisation.

The company said there was *"an intense recession" in the* European market, characterised by sagging sales and strong inflationary pressures, and unit volume had been *reduced. In the U.S.,* by contrast, annualised sales were running 25 per cent ahead of last year.

Improvement forecast by Massey

By Our Financial Staff

MASSEY FERGUSON, the Canadian-based farm machinery group, expects to see a progressive improvement in results this year. However, a loss is probable for the full year, according to Mr. Victor Rice, the chairman.

In its last financial year to October 31, Massey incurred a loss of $225.2m and for the first quarter of this year posted a deficit of $81.4m.

Massey expects to complete negotiations on its C$720m (U.S.$606m) refinancing package by the end of April. This would result in substantial dilution of common shares, which was preferable to the *alternative,* "*which* was clearly the collapse of your company," Mr. Rice told shareholders in the annual report.

The company has developed *strategies for the future,* the annual report says, including new products, joint ventures and other associations, and the arrangement of local *majority ownership of large-*scale operations in less-developed countries.

In North America its objective is to gain a strong *third position in the market,* which would probably require associations with one or more other companies and would hinge on the support of its dealer network.

In Western Europe it aims to maintain its market position while focusing on the pressure on profits which has resulted from over-capacity. Massey sees as inevitable *either a major rationalisation* or severe shake-out in the Western European farm and industrial machinery industry.

Shell boosts production at Belridge

By Our Financial Staff

SHELL OIL Company, the 69.5 per cent owned U.S. offshoot of Royal Dutch/Shell, last year boosted by 26 per cent the output of the Belridge Oil properties *acquired at the end of 1979* for a record $3.65bn.

Shell says in its annual report that Kernridge Oil, the subsidiary operating the *Belridge properties about 90* miles north of Los Angeles, raised output to 53,000 barrels a day from 42,000 barrels in 1979.

Kernridge was contributing to net income by May of last year, and Shell expects a positive after-tax contribution —including debt repayment *on the $3bn raised from banks* for the Belridge takeover— from the properties by 1983 or 1984. The acquisition is expected to have paid for itself *by the end of the 1980s.*

The acquisition of Belridge allowed Shell to boost its overall oil and condensate production by 8 per cent to 165m barrels in 1980 after declines of 2 per cent at its other properties.

Hunt SEC inquiry delay

DALLAS—A U.S. District Court Judge, Mr. Robert Porter, has granted a request by the Hunt brothers for a 10-day delay in an investigation by the Securities and Exchange Commission.

The SEC is examining the activities of William, Nelson Bunker and Lamar Hunt in *the silver futures market. The* investigation started after silver prices fell to $10.80 an ounce last year from a high of $50.05 and the Hunts failed to *make a $100m margin call on* silver futures contracts. The Hunt's last week claimed that the SEC inquiry was exceeding the limits of its jurisdiction.

Reuter

DM500m German new issues calendar expected

BY FRANCIS GHILES

FIXED INTEREST dollar Eurobonds rose by up to ½ of a point yesterday afternoon after gains in the New York bond market. There was a marked lack of investor buying, however, as continued uncertainty over the movement of U.S. dollar rates and the outcome of the crisis in *Poland made buyers cautious.*

D-Mark foreign bond prices *were virtually unchanged ahead* of the eWst Germany Capital Markets Sub-Commitee meeting, due to be held this morning in Frankfurt. A new issue of DM 500m-600m would come as no surprise to German bankers.

The FFr 200m five-year issue for Air France, at persent on offer with an indicated coupon of 14¼ per cent, is meeting with a good reception. The next French franc issue, expected to be announced next week, should be a FFr 400m bond for Bank *of America, the kind of* prestigious borrower this sector needs to confirm its growing reputation.

Prices in the Swiss franc sec*tor moved up ¼ of a point* in thin trading.

Two guilder bonds have been launched this week. The Inter-American Development Bank is issuing Fl 60m of 10-year bonds carrying a coupon of 11¾ per cent through AmRo Bank and Algemene Bank Nederland.

Meanwhile, Nederlandse *Credietbank has arranged a* Fl 40m five-year Euroguilder issue on its own behalf bearing interest at 11¼ per cent and priced at par.

Caisse National des Autoroutes is tapping the Yen private placement sector for Y10bn through Nomura Securities. The notes mature in 2001 and carry the guarantee of France. Interest is at 8.8 per cent, payable semi-annually and the price is par.

The £25m five-year issue for Hiram Walker with a coupon of 14¼ per cent was priced at 99¼ yesterday by S. G. Warburg.

Corning Glass downturn despite 12% sales rise

BY OUR FINANCIAL STAFF

CORNING GLASS WORKS saw net earnings drop by 18 per *cent in the opening quarter of* its current financial year after a rise in sales of almost 12 per cent from $358.1m to $399.8m.

However, despite the fall in profits from $26.25m, or $1.43 a share in 1980 to $21.53m, or $1.18 a share, in the period to March 22, Corning is encouraged by the upward trend in *earnings that begun in the final* quarter of 1979-80.

Also, the company said that several businesses had recovered from the weakness in volume experienced in the second and third quarters.

Corning Glass said its consumer, ophthalmic, optical waveguides, *scientific* and medical operations were strong performers in the first quarter.

Also, operations in Latin America and the Far East were ahead of *last year, while Europe* fell below 1980 levels because of a plant strike in France and weaknesses in the economy. The automotice business remained weak.

National Semiconductor sells unit

By Our New York Staff

NATIONAL Semiconductor, the leading Californian electronics group which reported a sharp downturn in profits last month, yesterday announced plans to sell its electronic watch and calculator business for an *undisclosed sum.*

The purchaser is a newly formed company called Novus Electronics Corporation, described as a joint venture group headed by Mr. Sam Nassi.

Novus is the name that appears on National's Electronic watches, and yesterday's announcement said the new company would continue to market calculators and watches under National's brand name.

The sale, National said, was part of its plan to focus on semiconductors and digital systems where its semiconductor capabilities gave it an advantage. The company's consumer goods operations have only been marginally profitable in recent years.

Chromalloy to boost spending

BY OUR FINANCIAL STAFF

CHROMALLOY AMERICAN Corporation, the metal fabrication and transport group, plans record capital expenditures in 1981 of more than $160m, up 70 per cent from 1980's $94m budget.

The 1980 annual report says expenditures will include the purchase of 240 new covered barges for $78m for Valley Line Company and the investment of about $31m in plant expansion.

FT INTERNATIONAL BOND SERVICE

The list *shows* the 200 latest international bond issues for which an adequate *secondary* market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday, April 14.

Closing prices on March 31

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco 13¾ 88	75	96½	97	+0¼	−0⅛	13.99
CECA 11½ 88	100	88⅝	89⅛	+0⅛	+0¼	14.05
CNE 12¾ 91	100	92⅞	93⅜	+0⅛	+0⅛	14.06
Citicorp O/S Fin. 10 86	300	85½	86	+0¼	−0⅛	13.97
Citicorp O/S Fin. 12 87	200	91¾	92¼	+0⅛	0	13.89
Con. Illinois O/S 9¾ 86	150	84¼	84¾	+0⅛	+0⅛	14.09
Denmark 11½ 90	100	88	88½	+0½	+0⅜	14.53
Dupont Canada 13½ 91	65	96⅜	97⅛	0	+0⅛	14.09
EEC 11 96 (May)	75	81⅝	82⅛	+0⅜	+1	14.00
EEC 11 95 (August)	70	79⅞	80⅞	0	+0¼	14.26
EIB 13¾ 90	100	97½	98	0	0	14.18
Eksportfinans 9½ 87	75	82¼	82¾	0	+0½	13.81
Eldorado 13¾ 86	50	96½	97	+0⅛	+0⅝	14.20
Elec. de France 10 88	125	82¾	83⅛	+0⅛	0	13.83
Elec. de France 13 88	125	95⅞	96⅛	+0⅛	+0⅜	13.88
Export Dv. Con. 12¾ 87	100	95	95½	+0½	−0¼	13.92
Export Dv. Cpn. 9½ 86	150	84¼	84¾	+0⅛	+0⅜	14.18
Fed. Bs. D. 12¼ 85 (N)	60	94	94½	+0¼	+0⅝	13.96
Fin. Exp. Credit 10½ 85	50	87¼	87¾	+0⅛	+0⅜	14.61
Finland, Rep of 9½ 86	100	82⅝	83⅛	+0¼	+0½	14.58
Ford Credit O/S 14¾ 83	150	98¾	99¼	0	+0½	14.76
Ford Cr. O/S Fin 16 84	150	103⅛	103⅞	+0⅛	+0⅛	14.32
Gaz de France 13½ 86	80	98½	99	+0⅛	+0⅜	13.83
GMAC O/S Fin. 12 87	100	90⅜	90⅞	+0¼	−0⅛	14.32
GMAC O/S Fin. 12⅞ 88	100	82⅝	83⅛	+0½	+0⅜	14.56
Gen Mtrs. O/S 11⅝ 87	100	89¼	89¾	0	0	14.28
GTE Fin. 13¾ 86 (WW)	50	98¾	99⅛	+0⅛	+0⅛	13.89
Hudson's Bay 11½ 90	75	86⅜	86⅞	+0½	∓1	14.16
IBM Wld. Trade 12½ 88	200	95½	96	0	−0⅞	13.46
Newfoundland 13½ 90	60	96⅞	97¼	+0½	+1	14.06
Nova Scotia 10¾ 90	50	82½	83	+0⅛	0	14.17
OKB 10 85	60	88⅛	88⅞	0	+0⅛	13.63
Ontario Hydro 13½ 91	100	96½	97	+0⅛	+0⅜	14.11
Quebec Hydro 11½ 92	100	84⅞	85⅜	+0⅛	+0⅜	14.21
Queb. Hy. 13 91 (WW)	100	94⅛	94⅝	+0⅛	+0¼	14.07
Rovinase 11¼ 85	50	91⅛	91⅞	+0⅛	+0⅛	14.06
SNCF 12¾ 85	50	95¾	96¼	+0⅛	+0⅛	13.68
SNCF 13 91	75	94½	95	+0¼	+0⅞	13.99
Sven Handelsbk 13¾ 88	45	96⅜	96⅞	+0⅛	+0⅛	14.54
Sweden 12⅞ 85	150	95	95½	+0⅛	+0⅛	13.81
Swed. Ex Credit 12 83	50	94¼	94¾	0	+0½	14.68
Swed Ex. Credit 13 86	75	95	95½	0	−0⅞	14.40
Tribune O/S Fin. 14 86	50	98⅝	99⅛	+0⅛	+0½	14.31
World Bank 9⅜ 85	200	87½	88	0	+0⅜	13.74
World Bank 10¼ 87	300	85½	86	0	−0⅛	13.79

Average price changes .. On day +0⅛ on week +0¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asia Dev. Bk 8¾ 90	100	90⅞	91⅜	0	+0⅞	9.81
Australia 8¼ 90	250	94½	95	0	+1½	9.00
Austria, Rep. of 8¼ 92	150	88⅞	89⅜	+0¼	+0¼	9.84
CECA 7⅞ 92	150	87½	88¼	0	+0⅛	9.66
CECA 10 91	120	102⅝	102⅞	0	0	9.61
CII-Honeywell 8⅞ 90	125	91½	92¼	+0⅜	+0⅝	9.72
EIB 8¼ 90	200	91⅝	92⅛	+0½	−0⅞	9.87
EIB 10½ 91	200	102¼	103	+0⅛	−0⅛	10.07
ESCOM 9¾ 87	100	94⅛	94⅞	+0⅛	+2	10.42
Iberduero SA 9 90	100	91¾	92½	−0⅞	+0⅛	10.34
Ind. Bk. Finland 8½ 90	50	90⅝	91⅛	0	−0⅛	10.03
Int-Amr Dv. Bk. 10 91	100	100⅛	100⅞	+0⅛	+0⅛	9.91
Japan Air Lines 8¼ 87	100	92⅝	93¼	−0⅛	0	9.58
Japan Dev Bank 7¾ 87	100	89⅞	90⅜	−0⅛	0	9.72
Kobe, City of 8 90	100	89⅞	90⅛	+0⅛	+0¼	9.63
Midland Int Fin 8½ 90	180	82⅞	83⅝	+0¼	−0⅞	9.60
Nuclebras 9¼ 88	100	88⅝	89⅛	+0⅛	+1⅛	12.04
OKB 8¼ 92	150	89⅛	90⅛	0	+0¼	9.78
Oslo, City of 8¾ 90	80	96⅝	97½	+0⅛	−0½	9.28
Venezuela, R of 9¾ 90	150	94⅝	95⅛	+0⅛	+0⅛	10.63
World Bank 8 90	700	88⅛	89	0	+0⅛	9.91
World Bank 10 86	150	102¾	103½	−0⅛	−0½	9.19
World Bank 10 90	200	100⅞	101⅜	−0⅛	−2⅛	9.78

Average price changes , On day 0 on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria, Rep of 5¾ 90	100	92	92¼	+1	−1⅛	6.52
BFCE 6½ 91	100	101⅛	101½	+0⅛	−0⅛	6.32
Bayer Int. Fin. 5¼ 92	100	91	91½	−0⅞	−1½	6.34
Bergen, City of 6 90	50	96	96¼	0	−1⅛	6.57
Ruhrm'n-Tetterode 7 90	40	101¾	102	0	+0⅛	6.71
Copenhagen Tele 6¾ 90	80	91	91⅛	−0⅛	−1	7.06
Denmark 5¾ 90	80	91⅝	91⅞	−0⅛	0	6.98
Dome Petroleum 5¾ 91	100	94⅜	95	+0⅞	−0⅛	6.47
Elet. de France 5¾ 90	100	93½	93¾	+0½	−0⅛	6.15
Eurofima 5¾ 92	80	99	99¼	+2⅛	−0⅛	5.85
F. G. H. Hypo. Bk. 6 90	60	†96	97	+0⅛	+0¼	6.51
Finland Rep. of 5¾ 90	80	†91	92	0	0	6.88
Int.-Amer Dev 7 90	80	100¼	100½	+0⅛	−1	6.94
Japan Dev. Bank 5¾ 90	100	94¼	95	+1⅛	+0½	6.48
Jutland Tele. 5½ 90	50	90	90½	0	−1	7.01
Mt. Blanc Tunnel 5½ 90	60	92⅛	92⅝	−0⅛	−0¼	6.59
Nowag 5¾ 90	80	94¾	95	+0⅛	+0½	6.50
Norges Komm. 4¾ 91	100	84½	84¾	0	+0⅛	6.42
OKB 6 90	100	†95½	96	+0⅛	−1	6.64
Oslo, City of 4¾ 91	100	†81¼	81¾	−0⅛	−0⅛	6.90
Oslo, City of 5⅞ 90	80	93½	93¾	−0⅛	−1⅛	6.86
Philips Lamps 5¾ 92	100	91½	92	0	+0⅞	6.28
Sekisui Pre. Hms. 6 90	80	97	97¼	−0⅞	−0⅛	6.42
Trade Dev. Fin. 6½ 90	80	95	95¼	−0¼	−1½	6.83
Voest-Alpine 5¾ 90	60	94	94½	+0⅛	+1	6.58
World Bank 6 91	100	95½	96	+0½	0	6.60

Average price changes . On day +0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	93¾	94¼	+0½	+0½	8.41
Australia 8½ 88	20	87¾	88¼	+0¼	+0¼	8.91
EIB 7¾ 88	12	93⅝	94⅛	+0½	+0½	8.75
Finland 5.6 83	10	92¾	93¼	+0⅛	+0⅛	8.76
Finland 6.8 88	10	87⅞	88⅜	+0⅛	+0⅛	9.11
Finland, Rep. of 8⅛ 87	75	97¾	98¼	+0¼	+0¼	8.74

Average price changes. . On day +0⅛ on week +0¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅜ 86 C$	60	90⅜	91⅛	−0⅛	−1	13.17
CIBC 13½ 85 C$	60	87½	87⅞	−0⅛	−0⅛	14.31
CIBC 11½ 85 C$	60	90¼	91	−0⅛	−1⅛	14.63
Federal Dev. 11½ 90 C$	60	†84⅞	85⅜	0	−0¼	14.45
Fst. Can. Inv. 10 84 C$	50	†88⅛	89	−0⅛	−0¼	14.77
R. Bk. Canada 10 85 C$	40	91¾	92¼	0	+0⅛	12.24
Tordom Cpn. 13½ 85 C$	30	†97½	98⅛	−0⅛	−0⅛	14.18
M. Bk Dnmk. 9 91 EUA	25	90	91½	0	−0⅛	10.47
SOFTE 8¾ 89 EUA	40	85½	86¼	−0⅛	−0¼	10.93
U. Bk. Nrwy. 9½ 90 EUA	18	96¼	98	0	−0⅛	9.95
Algemene Bk 10¼ 86 Fl	60	97	97½	+0⅛	+0½	10.99
Bk Mees & H. 10 85 Fl	75	97⅝	98⅛	+0⅛	+0⅛	10.80
Heineken NV 10 87 Fl	100	95	95½	+0¼	−0⅞	11.06
Nat Nedrlndn. 10 88 Fl	60	94⅞	95⅜	+0½	0	11.04
Ned. Midd. Bk. 10 85 Fl	75	98½	99	0	0	10.33
Pierson 10¾ 86 Fl	50	97⅞	98⅛	0	−0⅛	10.75
Aero Paris 13½ 87 FFr	150	93⅞	94⅞	+0⅛	−0⅛	14.48
Charb'nages 13⅞ 85 FFr	400	98¾	99¼	0	−0⅞	14.20
CECA 14¼ 86 FFr	150	99⅜	100⅛	−0⅛	−0⅞	14.28
EIB 14½ 88 FFr	300	98¾	99¼	0	−0½	14.39
Gaz de France 11 84 FFr	150	91½	92½	−0⅛	−0¼	13.87
La Redoute 14½ 85 FFr	125	95⅛	96⅛	+0⅛	−0⅛	15.61
OKB 14 86 FFr	400	98½	99½	−0⅛	−0⅛	14.27
Solvay et Cie 14¾ 86 FFr	200	101⅞	102⅞	0	−0½	14.04
Utd. Mex. Sts. 14 85 FFr	150	96¼	97¼	0	−0¼	14.89
Acona 14 85 £	20	95⅝	96⅛	+0¼	−0⅛	15.18
Beneficial 14½ 90 £	20	92⅞	93⅝	+0⅛	−0⅞	15.60
BNP 13½ 91 £	15	96	96¾	+0⅜	−0⅛	14.18
CECA 13½ 88 £	20	96¼	97	+0⅛	+0⅛	14.21
Citicorp O/S 13½ 90 £	50	95¾	96½	+0⅛	−0½	14.27
Fin. for Ind. 14½ 88 £	20	99	99½	−0⅛	−0⅝	14.66
Fin. for Ind. 13¾ 87 £	20	97½	98¼	+0⅛	−0⅛	14.22
Gen. Elec. Co. 12½ 89 £	50	93½	94¼	−0⅛	−0⅞	13.81
Peugeot SA 14 90 £	23	94½	95¼	+0⅛	−0⅛	15.09
Rothschild 14¾ 90 £	12	97	97¾	−0⅛	−0½	14.74
Royal Trustco 14 86 £	12	99⅛	99⅞	+0⅛	−0⅛	14.13
Swed. Ex. Cr. 13¾ 86 £	20	98½	99¼	−0⅛	−0⅛	14.07
Banobras 8¾ 90 KD	7	†91½	92	0	+2	9.88
CCCE 8½ 91 KD	10	†82½	83	0	0	11.07
Sonatrach 8½ 90 KD	12	†94	94½	0	+2	9.48
Akzo 9¾ 87 LuxFr	500	86¼	87¼	−0¼	−2	12.27
Euratom 9¾ 88 LuxFr	500	86⅞	87⅞	−3⅛	−4½	12.67
Eurofima 10½ 87 LuxFr	500	92	93	−1	−3¼	12.19
EIB 9¾ 88 LuxFr	600	88½	89½	−0½	−2⅝	12.20
Volvo 9¾ 87 LuxFr	500	85¾	86¾	−1¼	−3¼	12.62

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0¼	99¼	99¾	2/7	16⅝	16.71
Bank of Montreal 5¼ 90	0¼	99⅞	100⅜	18/6	19½	19.48
Bank of Tokyo 5¼ 88	†0½	98⅞	99⅜	25/4	19.37	19.51
BBL Int 5 86	0⅜	99⅜	99⅞	20/5	16½	18.56
Bergen Bk A/S 6 89	†0⅛	†98⅜	99⅛	29/5	17⅛	17.32
BNP 5½ 88	†0⅛	99½	100	29/4	18.69	18.73
CNT 5¾ 88	§0⅛	99½	100	16/4	13⅛	13.28
Christiania Bk 5½ 91	†0⅛	97⅞	98⅜	5/5	17⅛	18.09
Citicorp O/S F 84	†0	†98⅞	99⅜	30/4	15.44	15.57
C. Itoh 5¼ 87	0¼	99½	100	18/9	15.44	15.48
Co-operative Bk. 6 86	0¼	97¾	98¼	15/5	15⅞	15.58
Den Norske Credit 6 90	†0⅛	98⅜	98⅞	5/5	17¼	18.00
Genfinance 5¼ 87	0⅛	99⅜	99⅞	30/4	15⅛	15.22
Giro und Bank 5¼ 91	†0⅛	97⅝	98⅛	23/6	14.06	14.37
GZB 5½ 89	†0⅛	98⅞	99⅜	1/6	17⅞	18.03
Ind. Bank Japan 5¼ 87	0¼	99¼	99¾	15/4	13.31	13.40
Ind. Bank Japan 5¼ 88	0¼	98¾	99¼	9/4	13⅛	13.26
Lloyds Eurofin 8 90 £	0⅛	97	97½	3/7	14½	14.91
Lloyds Eurofin 5¼ 92	0⅛	98½	99	4/6	17¼	17.47
LTCB Japan 5¼ 86	0¼	100⅛	100⅝	13/6	20.19	20.09
Man. Hanov. O/S 5¼ 94	†0⅛	98½	99	30/5	17	17.22
Midland Intl. Fin 5¼ 92	0¼	98⅞	99⅜	5/6	17.19	17.34
Nacional Fin. 6¾ 86	0⅛	99½	100	25/7	17½	17.78
Nacional Fin. 5½ 88	0⅛	98⅜	98⅞	25/9	14⅞	15.08
Nat. Bk. Canada 5¼ 88	0⅛	98⅛	98⅝	23/9	5⅛	5.34
Nat. West. 5¼ 94	§0¼	97⅞	98⅜	14/4	13¼	13.50
Nat. West. 5¼ 92	§0⅛	98	98½	23/4	13.69	13.93
Nippon Credit 5¼ 87	†0⅛	99½	100	6/5	17.44	17.48
Soarebanken 6 87	0⅛	99⅝	100⅛	19/6	19⅞	19.88
Standard Chart. 5¼ 90	0¼	99½	100	3/9	17.06	17.11
Svenska Hndlsbk. 5 87	0⅛	99⅝	100⅛	15/7	17.81	17.83

Average price changes .. *On day 0 on week 0*

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem.
Bow Valley Inv. 8 95	4/81	23.12	97¼	98¼	−0⅛	29.40
Canon 6¾ 95	1/81	829	120¼	121¼	+0⅛	3.39
Credit Suisse 4¾ 93	10/79	1278	97¾	99¾	−0⅛	−0.13
Digicon Fin. 8½ 95	*10/81*	29.5	104⅞	105½	+0⅛	9.01
Ina Overseas 8¾ 2000	4/81	42	105	106	−0½	6.77
Inchcape Ltd. 8 95	2/81	4.55	97	98	+0⅛	1.74
Jaccs 7½ 95	11/80	565	135¾	136¾	+0⅛	13.30
Kotobukiya Co. 7 96	4/81	619	100½	101½	−1	−6.36
Marion Int. Fin. 9 95	12/80	15.6	87½	88½	+0⅛	18.81
Matsushita El 7½ 95	11/80	590	116½	117½	+0⅛	−1.71
MEPC 8¾ 96	2/81	2.47	102	103¼	+1½	9.97
Niigata Eng. 7½ 96	1/81	327	106½	107½	+0½	5.21
Nissho-Iwai Co. 8 96	10/80	398	85⅞	87⅛	−5⅛	−6.47
Ricoh 6¾ 95	8/80	604	119¾	120¾	−0⅛	0.28
Sumitomo M. Ind. 7 95	2/81	181	122¼	123¼	+2⅛	3.27
Swiss Bk Cpn. 6¾ 90	9/80	200	83	85	0	11.32
Taylor Woodrow 8½ 90	1/81	4.94	106½	107½	+0¼	1.48
Tokyu Land Cpn. 7¾ 96	4/81	325	97½	98½	0	1.90
Transco Int. 8¾ 95	2/81	88	90¼	91¼	+0½	34.15
Tricorp 8½ 95	12/80	31.25	89½	91	+0½	16.90
Union Bk. Switz. 5 89	2/80	121.4	82	84	+0¼	−13.83
Fujitsu 5 84 DM	7/79	431.5	144	145	−0½	−1.10
Sharp Cpn. 6½ 88 DM	8/80	596	156⅝	157⅝	−2⅞	−2.03
Uny Co. 6½ 85 DM	11/79	879.3	103½	104⅛	−0⅛	4.70

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = *Margin above* six-month offered rate (‡ three-month; § above *mean* rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount *of bond* per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the *most recent* price of the shares.

Rights issue and increased payment from Deutsche Bank

BY KEVIN DONE AND STEWART FLEMING IN FRANKFURT

DEUTSCHE BANK, West Germany's largest bank, with assets of more than DM 170bn, took its shareholders by surprise yesterday with the announcement of a DM 472m ($225m) rights issue. Coupled with other measures this will raise its capital and reserves to DM 4.87bn.

At the same time the bank announced that it is boosting its dividend payment to DM 10 a share for 1980, compared with DM 9 in the previous year, the only leading German bank to do so.

In a difficult year for German banking, Deutsche Bank managed to increase its operating results by 28 per cent and it is now moving to strengthen its capital base in preparation for tougher consolidation laws that are expected to be introduced later this year, and to provide for future growth.

All the major commercial banks, with the exception of Commerzbank which last week announced a sharp drop in profits for 1980, have gone to shareholders in recent months for new funds. Yesterday the Berliner Handels-und Frankfurter Bank (BHF Bank), a private bank with assets of DM 18.4bn, said it was to raise DM 34.7m of new equity capital from its partner shareholders, and is maintaining a DM 9 a share dividend.

In most cases, Germany's commercial banks have been raising capital after a year in which profits have been under heavy pressure and new equity has been needed to allow for new growth.

Deutsche Bank appears to have weathered the storm better than most of its rivals and as a result is able to go to its shareholders on more favourable terms.

The issue is one-for-ten at DM 200 per share. Deutsche Bank shares were trading yesterday in Frankfurt at around DM 286.50 apiece.

Among the spate of recent bank capital increases are issues of DM 275m by Dresdner Bank, DM 190m by Bayerische Vereinsbank and DM 185m by Bayerische Hypotheken-und Wechsel-Bank.

Deutsche Bank said yesterday that it is putting a substantial part of its operating earnings into strengthening its provisions to take account of "the difficult economic environment and the increased risks of domestic and international banking."

In addition it is transferring DM 120m from taxed hidden reserves to open reserves in preparation for the tougher bank consolidation laws, which will extend strict German capital ratio regulations to the banks' foreign subsidiaries.

Banks without a sufficiently strong capital base could find themselves having to restrict growth. Indeed during the past year some banks have already been altering the structure of their balance sheets in order to economise on their capital resources.

Falck cuts payout after sharp reverse in trading

BY RUPERT CORNWALL IN ROME

FALCK, Italy's largest privately-owned steel manufacturer, has sustained a drop in net 1980 earnings to L2.6bn ($2.6m) from L3.9bn, and is to pay a reduced dividend.

The dividend, which will apply to capital raised to L62bn from L49.5bn, is being lowered to L150 per savings share and L100 per ordinary share from L160 on both classes of share in 1979.

The company reports that after a strong first half, its performance worsened sharply. The deterioration followed mounting problems on both national and international steel markets, coupled with labour unrest at Italian plants.

Total output last year came to 952,000 tonnes while deliveries to customers topped 1m tonnes. Sales rose 14 per cent in 1980 to L507.5bn ($500m). Capital spending by the group, whose control lies in the hands of the Falck family and Sig. Carlo Pesenti's Italcementi / Italmobiliare group, reached L40bn in 1980.

Italcementi itself reports a L2bn increase in net profit to L8.3bn for 1980, on parent company sales ahead at L386bn from L248bn previously. Group turnover climbed by 34 per cent to L609bn.

Ordinary stockholders will receive a dividend of L1,000 a share while the payment for savings shares will be L1,150, an increase of L150 in each case.

Agip Petroli edges ahead

BY JAMES BUXTON IN ROME

AGIP PETROLI, the subsidiary of Agip which refines and distributes oil primarily in Italy, achieved a 51 per cent increase in turnover for 1980 and a marginal rise in profits. Turnover rose to L11,840bn while net profits were L25.4bn ($24.1m) compared with L24.3bn in 1979.

The results indicate the improved profitability of the oil refining and distribution business in Italy since the Government eased the controls on prices. In 1978 Agip Petroli incurred a loss of L6.65bn on gross turnover of L5,603bn. The change in the pricing system has led to renewed interest in the Italian distribution market by overseas oil companies.

Agip Petroli supplied 22.6m tonnes of fuel to the Italian market in 1980, a 3.3 per cent increase on 1979. It had a 27.9 per cent share of the market.

Both the Italian and foreign operations of the company returned profits. The foreign operations accounted for L2,466bn of Agip Petroli's turnover last year.

Asahi Glass' deal has swelled the coffers of France's biggest food group. **David White** in Paris reports

A boost for BSN buying power

THE SALE of BSN-Gervais Danone's glassmaking factories in Belgium and Holland comes as no surprise—except that the buyer is Japanese. The group has been wanting to get rid of these offshoots for about two years. But BSN, France's second biggest glassmaker and, by an ever-increasing margin, its biggest food company, undoubtedly has a more genuine surprise in store.

Ever since M. Antoine Riboud, the chairman, announced the deal with Pilkington Brothers of the UK in September, 1979, for the sale of BSN's foreign flat glass operations, rumours have been circulating about "Riboud's billion" and about the prospect of a major international takeover in the food sector.

The FFr 1.1bn ($220m) which BSN was to have obtained from the disposal was trimmed slightly when the deal was renegotiated to cover only BSN's West German operations. But the company's "war chest" now receives a further boost with the Asahi Glass deal bringing in $46m to lift BSN's cash balances to around $250m.

This reserve has so far been virtually untouched, although BSN has in the meantime made minor acquisitions in brewing and other sectors, and one major purchase—Générale Occidentale's French foodmaking interests. This deal, concluded a year ago and bringing in a series of companies with combined annual sales of around FFr 1.2bn, was made without touching "Riboud's billion." The Générale Occidentale group received as payment minority shareholdings in two of BSN's own subsidiaries.

BSN has been negotiating with a number of international groups in the food sector but so far nothing has leaked out about what kind of deal is in the offing. Mr. Riboud's decision to concentrate on food, in which he has the blessing of a Government concerned about France's lack of financial and commercial muscle in the food-processing industry, came after years of costly efforts to overcome losses in glass.

Over six years BSN poured in FFr 2.5bn of investment into flat glass, a sector which at one time made up 30 per cent of its turnover. It shut 22 plants making window-glass and built five new float-glass installations.

It took until last year, after five consecutive annual losses totalling FFr 700m, for the sector to prove its ability to make money. But M. Riboud preferred to take this opportunity to get out of glass — except for packaging and the French flat glass operation, Boussois—rather than embark on further heavy investments.

A question mark now hangs over the future of Boussois, one of the original kernels of the BSN group that was formed in 1966 by Boussois' merger with the bottle-maker Souchon-Neuvesel. Six years late, the group took on its present shape when BSN joined forces with the dairy food concern Gervais Danone.

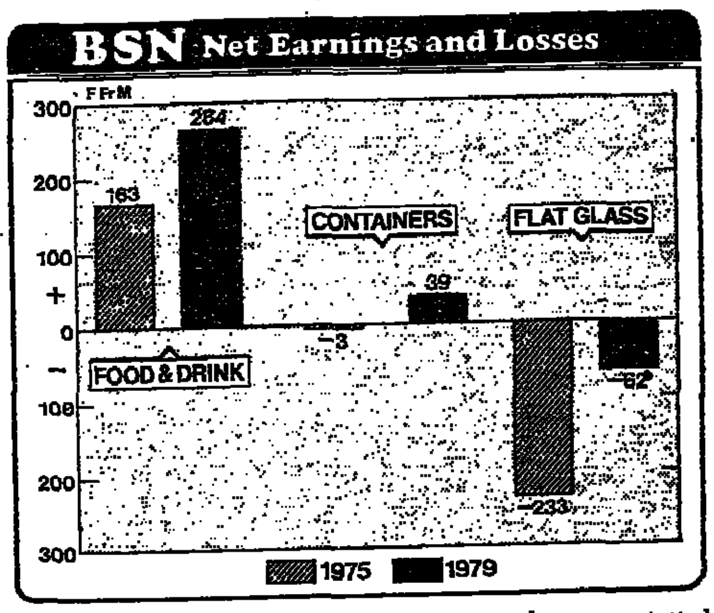
The fact that BSN has kept Boussois probably reflects the French authorities' concern that it should stay in French hands. But the company's loss-making record would undoubtedly have made it in any case an unattractive item for inclusion in the sale package.

The stripping down of BSN's glass business, the second in France behind that of Saint-Gobain-Pont-a-Mousson, has so far been carried out without any visible dent in the group's annual sales performance.

Turnover last year rose by 10 per cent to FFr 18bn, exceeding expectations, or 20 per cent on a comparable basis. Ironically, it was not food, drinks or packaging that led the advance, but flat glass, with a sales increase of close to 30 per cent.

For its part, Asahi Glass has recently been busy strengthening its links outside Japan. The company has concentrated mostly on the rest of Asia, but it is also involved in a Canadian petrochemical project, and it recently joined forces with ICI to produce the sort of castings that are used for non-stick frying pans.

As Japan's leading glass group cash-flow has been rising sharply. In 1980 net earnings advanced by more than a third to Y17.2bn ($136m)



Overseas side puts RSV deeper in red

By Our Amsterdam Correspondent

SERIOUS setbacks with a number of large turnkey projects abroad pushed the Dutch shipbuilding and engineering group Rijn-Schedle-Verolme (RSV) deeper into the red for 1980. Provisions made in the process engineering and energy divisions exceeded the profits made by shipbuilding and other activities.

The company reports a net loss of Fls 28.7m ($12m)—31 per cent greater than in 1979. RSV made an operating loss of Fl 39.4m compared with a 1979 profit of Fl 15.1m. It again proposes passing its dividend having last paid paid Fl 18 a share in 1975. Process engineering and energy made an operating loss of Fl 117m, while the rest of the group returned operating profits of Fl 77.4m.

Turnover rose 9 per cent to Fl 2.4bn ($1bn). Orders at the end of the year amounted to Fl 6.4bn excluding repair contracts but including Fl 1bn worth of orders at its Brazilian shipyard. The value of work still to be carried out at the end of the year was Fl 4bn, including Fl 800m in Brazil.

The board forecasts that results will show an upward trend as soon as the new company structure, involving decentralised divisions, works divisions, works smoothly and "negative factors from the past had been accounted for." It warned, however, that not all of the company's problems had been overcome. RSV added a further Fl 102m to provisions for the risks attached to its foreign turnkey contracts during the year.

The Brazilian shipyard performed particularly well. The company drew Fl 13.5m from provisions made to meet the costs of reorganisation during 1980 in order to complete orders in the large shipbuilding and offshore construction division.

Heavy losses incurred by Opel

BY OUR FRANKFURT STAFF

OPEL, the West German subsidiary of General Motors of the U.S. and the second largest volume car manufacturer in the Federal Republic, incurred "considerable losses" last year according to Mr. Robert Stempel, chief executive.

The group, whose production declined 18.4 per cent in 1980, is still operating at a loss, Mr. Stempel said yesterday. The company is wary of pushing through price increases for fear of losing yet more market share.

The company aims to increase production by 5.5 per cent to 837,000 vehicles this year compared with 793,000 in 1980. Sales in the home market are expected to hold level at 402,200, but Opel is hoping to increase exports to around 444,000 from last year's 409,000.

With rising costs and wage increases of up to 8 per cent being sought in the metal-working industry, rises in selling prices later this year were "unavoidable," said Mr. Stempel, but he admitted that the market would not stand increases of much more than 3 per cent.

In spite of the losses suffered in 1980 Opel is planning to press ahead with its current investment programme, which is expected to total some DM 1.3bn ($620m) in 1981, compared with DM 1.5bn last year.

Although new registrations in West Germany showed a sharp fall of 12.4 per cent in the first two months of 1981 compared with the same period last year, Opel expects car sales to show some recovery in the second half of the year with total new car sales in the Federal Republic in 1981 getting close to last year's level of 2.4m.

The company's own share of the market slipped to 16.3 per cent in January and February, from the 18.4 per cent of 1979.

Opel is understood to be launching a new version of its middle of the range Ascona later in the year.

Nutricia back in the black and the dividends list

BY CHARLES BATCHELOR IN AMSTERDAM

NUTRICIA, the Dutch dairy and foods group which is currently negotiating the acquisition of Cow and Gate from Unigate of the UK, has moved out of the red for 1980 and plans to start repaying dividends.

Stringent cost controls and an improvement in product range led to an increase in the operating profit to Fl 20.8m ($9m) from Fl 609,000 in 1979. The company made a profit of Fl 7.9m at the net level compared with a loss of Fl 3.3m previously.

Nutricia proposes paying a dividend of Fl 1.60 a share after passing its 1979 dividend and paying Fl 1 the year before. It made Fl 5.48 profit a share compared with a loss of Fl 2.26 in 1979.

The disposal of two of the company's divisions reduced 1980 profits by 9 per cent. Excluding the impact of the disposals sales rose 9.3 per cent.

The recovery at Nutricia occured mostly in the second half of the year, traditionally the company's best trading period.

Negotiations with Unigate, which were first announced in January, are now in their final stages, Nutricia said. Unigate will take a minority stake in the Dutch company as part of the deal.

Nissho Iwai hit by exchange losses

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

NISSHO IWAI Corporation, one of Japan's general trading companies, has decided to close its Hong Kong subsidiary, Nissho Iwai Hong Kong Ltd., after the company lost some Y16bn ($76m) in foreign exchange speculation.

The parent company said last night that it would continue to pay dividends although the losses incurred by the Hong Kong company were about three times its annual profit. The company's main bank said they would be willing to lend support if necessary.

The parent company will establish a new subsidiary, Nissho Iwai Hong Kong Corporation, which will take over the business of the former company, but not its losses. The losses will be transferred to the parent company in Tokyo. A Hong Kong offshoot is important to Nissho Iwai, as an international trading concern.

Japanese general trading companies are not allowed to deal in foreign exchange on the Tokyo market except in connection with export or import transactions. Their overseas subsidiaries are not subject to the same restraints but the majority of big trading companies maintain a standing rule against currency speculation by subsidiary companies.

Nissho Iwai said that the Hong Kong company's currency trading activities took place without the knowledge or approval of the head office. The fact that enormous losses had piled up in futures transactions during the past year only became apparent when the subsidiary submitted a report for inclusion in Nissho Iwai's consolidated results for the year ending March 1981.

Nissho Iwai has sent a team to Hong Kong to investigate the background to the Hong Kong company's activities and expects a report in about three weeks time. In the meantime the company says it has "nothing to go on" except the bare facts contained in the original report.

Nissho Iwai is the sixth largest of the Japanese general trading companies with annual sales of around Y6,800bn ($32bn). It has an extensive network of overseas branches and subsidiaries.

Recovery for Shell Refining Malaysia

By Wong Sulong in Kuala Lumpur

SHELL REFINING (FOM), the refining arm of Shell International's Malaysian operations, has reported a strong recovery in after-tax profits from 9.3m Ringgit to 26.6m Ringgit (US$11.7m) for the year ended December.

The company said it had sold its refined products at internationally recognised free-market prices, and had thus been insulated from the effects of government-controlled prices.

Net profits are based on the last-in-first-out (LIFO) accounting method and the company said it is awaiting approval from the Malaysian tax authorities on this change of accounting, which it said presents a more accurate picture of the industry.

HK issues committee considered

BY KEVIN RAFFERTY IN HONG KONG

HONG KONG'S financial authorities have suggested that they may set up a formal Capital Issues Committee to supervise share issues if the stock exchanges in the Colony cannot reach better agreement on the scheduling of new share issues.

The authorities are understood to be disappointed with the response of the stock exchanges, after a series of talks, to their urgings that the process should be better ordered. The pressure of some eight new issues on to a weak market led the four stock exchanges to declare a moratorium on new issues about a month ago. Even so, the response to the issues which escaped the net was disappointing, and a good deal was left in the hands of underwriters.

Further consideration of a Capital Issues Committee will probably be linked to the plans for the unification of the four Hong Kong exchanges which is scheduled to take effect in or before 1983.

Stock market reform is part of a move by the Hong Kong authorities to bring greater order to the financial markets and to get rid of the gambling casino image of the Colony.

Mr. Uisdein McInnes, the Commissioner for Securities, has asked interested parties for their suggestions and comments on the plans for disclosure of share ownership and dealings. It seems that the authorities may be preparing to modify their plans so that not every transaction has to be declared immediately, allowing blocks of dealings to be listed together.

In addition, special consideration may be given to foreign shareholders who may wish information about their ownership or control of companies not to be publicly available. There is a powerful view that Hong Kong should not be the policeman or income tax inspector for other countries, and that disclosure to the Hong Kong authorities should, therefore, not be for public consumption in all cases.

● Meanwhile, recent research indicates that a small concentration of brokers handles a majority of all Hong Kong share trading. Some estimates suggest that of more than 1,000 listed brokers, a dozen handle 60 per cent of all transactions, and 20 brokers look after 80 per cent of the business.

Flat profits at Escorts despite rise in sales

By K. K. Sharma in New Dehli

ESCORTS, the tractor and motorcycle manufacturing company, increased its sales to more than Rs 2bn ($250m) in 1980, Mr. H. P. Nanda, chairman, said yesterday.

The board recommended a final dividend of 11 per cent in addition to the 9 per cent interim dividend, thereby maintaining the 20 per cent total paid in 1979.

Mr. Nanda said after-tax profits were marginally higher at Rs 67.4m against Rs 67.3m in 1979. Capital spending of Rs 120m is planned for 1981 compared with more than Rs 70m in 1980.

The company introduced last year the Escorts-345 tractor offering improved fuel efficiency. Escorts plans to manufacture more than 20,000 tractors this year, some of which will be exported.

It plans to manufacture a new 350 cc twin-cylinder motorcycle in 1982 in collaboration with Yamaha of Japan. At present, Escorts also makes JCB excavators and five-tonne hydraulic cranes.

MALAYSIAN TAKEOVERS

Ethnic contest over bank

BY ALAIN CASS IN KUALA LUMPUR

A MOVE by the Malaysian Government to prevent the take-over of United Malayan Banking Corporation, the country's third biggest bank, by Multi-Purpose Holdings, the business arm of Malaysia's largest Chinese political party threatens to damage sensitive business relations that exist between racial groups

The attempted take-over of the bank, which has assets of US$ 1.5bn, was stopped by the Government following strong pressure from the country's ethnic Malayan, or Bumiputra, community.

What now seems likely to take place is counter take-over by Pernas, Malaysia's national corporation, which promotes the interests of the Bumiputras.

At the heart of the struggle for UMBC is the battle of attrition between Malaysia's politically-dominated Bumiputras, who form 55 per cent of the population, and the Chinese community, which controls most of the non-foreign corporate sector.

The linch-pin of the Government's economic policy is the transfer of 30 per cent of the corporate sector to the Bumiputras, using the purchase of equity by a number of state organisations.

The battle for UMBC has become particularly acrimonious in behind-the-scenes talks, because approval of the takeover by Multi-Purpose Holdings, the investment vehicle of the Malaysian Chinese Association, had initially been approved

The UMBC takeover was regarded by the Chinese community as an important step towards redressing the balance of power. Multi-purpose was formed in 1977 partly as a counter-weight to Pernas. It is owned by 27,000 mostly lower-income Chinese who belong to the MCA which has 17 seats in Malaysia's Lower House of Parliament.

A key figure in the affair is Mr. Chang Min Thien, currently UMBC's controlling shareholder and a major figure in the Overseas Chinese community of South-East Asia. Mr. Chang has property and hotel interests in Malaysia, Singapore, Thailand and Hong Kong. Details of just how the deal was scuppered are still murky

But what is clear is that senior ministers did agree to the takeover initially, with the MCA holding 51 per cent of the shares against 30 per cent already held by Pernas.

Part of the quid pro quo for the takeover, it is thought, here, may have been a parallel takeover of 30 per cent stakes in three Chinese companies associated with Multi-purpose by Bumiputra interests at a price low in relation to market value.

This may explain why ministers and the National Equity Corporation, a key Government body in the takeover process, agreed to what was clearly going to be a highly controversial political takeover of UMBC. Elements within the Malay-dominated, ruling Umno Party forced a halt when news of the deal was leaked to the press.

Although the final shape of the take-over of UMBC has yet to emerge and would, in any case, require central bank approval, Pernas seems almost certain to take full control, and will probably involve itself in day-to-day management, Multi-Purpose may still be allowed to acquire a stake.

UMBC executives now say the problems the bank has faced have been solved, and forecast a profit of around U.S.$5m for 1981.

United Industrial interim earnings down by 44%

BY GEORGIE LEE IN SINGAPORE

UNITED INDUSTRIAL Corporation (UIC), the Singapore-based chemicals and property group, suffered a 44 per cent decline in pre-tax profits for the half year ended January to S$3.13m (U.S.$1.5m). Group turnover fell by 7.6 per cent to S$28.16m (U.S.$13.5m) while operating profits were 43 per cent lower at S$2.9m.

The group has forecast pre-tax operating profit of S$8m for the full financial year against the record S$11.3m in 1980.

UIC also disclosed that UIC Development Private, which owns a major portion of an office building in the prime central business district of Singapore is now a wholly-owned subsidiary

* * *

Industrial and Commercial Bank (ICB) has announced a scrip and a rights issue, and has reported record earnings for the year ended December. The scrip issue will be on a one-for-two basis, while the rights issue will be one-for-one, at S$1.20 per share.

Group after-tax profit, after providing for a fall in the value of assets and transfer to inner reserves, doubled to S$12.1m (US$5.8m). The after-tax profit of the parent bank alone went up by 53 per cent to S$6.44m.

The substantial difference between the group profits and the bank profits may reflect, it is thought, the significant growth achieved by the group's granite quarrying subsidiary.

The group has proposed a final gross dividend of 5 per cent, making a total of 10 per cent for the full year.

CURRENCIES, MONEY and GOLD

Dollar easier

Dollar weakened in quiet foreign exchange trading, but showed no lasting reaction to the assassination attempt on President Reagan. Lower Eurodollar interest rates contributed to the downward trend, and the U.S. currency also declined on the easing of tension in Poland.

Sterling lost ground to major currencies for most of the day, but showed a late recovery to finish firmer against the dollar and European currencies such as the D-mark, Swiss franc, and French franc.

European currencies showed little change overall against the dollar, but the Belgian franc firmed against its EMS partners. The sharp rise in Belgium's discount rate to 16 per cent helped the franc, and there was no sign of heavy intervention by central banks.

DOLLAR—Trade-weighted index (Bank of England) fell to 99.8 from 100.5. The U.S. currency touched a peak of DM 2.1060 against the D-mark, and closed unchanged at DM 2.1050. It rose to SwFr 1.9225 from SwFr 1.9190 in terms of the Swiss franc, and was unchanged at Y211.25 against the Japanese yen.

STERLING — Trade-weighted index (Bank of England) fell to 100.1 from 100.6. It opened at 100.4 and remained at that level at noon. The pound touched a high point of $2.2520-2.2530 in early trading, and weakened to $2.2350-2.2360 in the afternoon, but showed a late improvement against all currencies to close $2.2440-2.2450, a rise of 1.10 cents on the day. Sterling improved to DM 4.7250 from DM 4.7025 against the D-mark, and to SwFr 4.3150 from SwFr 4.29 against the Swiss franc.

D-MARK — One of the strongest members of the European Monetary System, helped by a sharp rise in West German interest rates, and the introduction of a special Lombard facility. Previously the D-mark had been depressed by high foreign interest rates, and a continuous balance of payments deficit. Tension over Poland remains a market factor — The D-mark was firmer against most currencies at the Frankfurt fixing, but lost ground to the improving Belgian franc following yesterday's financial and political moves in Brussels. The Bundesbank did not intervene when the dollar fell to DM 2.1018 from DM 2.1231, as a reaction to the shooting of President Reagan, since this was firmer than the opening level of DM 2.0970. Sterling was fixed at DM 4.7180 compared with DM 4.7540, and members of the EMS were also generally weaker. The French franc fell to DM 42.39 per 100 francs from DM 42.45, and the Dutch guilder to DM 90.30 per 100 guilders from DM 90.345.

BELGIAN FRANC — Weakest member of the EMS following the devaluation of the lira, but showing signs of improvement after the rise in Belgium's discount rate. The authorities have given very large support to the franc recently, as the currency has fallen to its lowest permitted level within the EMS against the D-mark and French franc — The Belgian franc showed a firmer trend following the rise of 3 per cent to 16 per cent in the Belgian National Bank discount rate. It came off its floor against the D-mark and French franc, and the authorities did not intervene to give any assistance. The D-mark fell to BFr 16.3940 from BFr 16.3955, and the French franc to BFr 6.95025 from BFr 6.9600. The dollar fell to BFr 34.4465 from BFr 34.81, and the pound to BFr 77.35 from BFr 78.66.

THE POUND SPOT AND FORWARD

March 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2350-2.2530	2.2440-2.2450	0.42-0.52c dis	−2.51	1.30-1.40dis	−2.40
Canada	2.6505-2.6650	2.6600-2.6610	1.10-1.20c dis	−5.19	2.85-3.00dis	−4.40
Nethlnd.	5.20-5.24	5.21½-5.22½	1¾-¾c pm	1.72	3-2 pm	1.91
Belgium	77.00-77.60	77.10-77.20	90-120c dis	−16.33	130-160dis	−7.52
Denmark	14.80-14.89	14.88-14.89	½-1½ore dis	−0.75	6¾-7¾ dis	−1.68
Ireland	1.2910-1.3000	1.2920-1.2935	0.11-0.23c dis	−1.58	0.48-0.60dis	−1.64
W. Ger.	4.69-4.74	4.72-4.73	⅛pf pm-½ dis	−0.32	par-½ dis	−0.21
Portugal	126.50-127.30	126.90-127.10	par-75c dis	−3.54	15-195 dis	−3.31
Spain	190.00-192.00	191.00-191.20	45-90c dis	−4.24	185-210dis	−3.92
Italy	2347-2357	2354-2356	13½-15½lire dis	−7.39	43-46 dis	−7.56
Norway	12.00-12.07	12.06-12.07	¼ore pm-⅞ dis	−0.06	⅛-1⅛ dis	−0.08
France	11.09-11.15	11.14-11.15	½-1½c dis	−1.08	3½-4½ dis	−1.43
Sweden	10.28-10.32	10.29-10.30	2⅛-3ore dis	−2.99	6⅞-7⅞ dis	−2.86
Japan	470-477	473½-474½	2.15-1.85y pm	5.06	5.45-5.15 pm	4.47
Austria	33.25-33.45	33.29-33.33	5gro pm-par	0.90	8 pm-2 dis	0.36
Switz.	4.26-4.32	4.31-4.32	2¼-1⅞c pm	5.21	5⅛-4⅛ pm	4.52

Belgian rate is for convertible francs. Financial franc 80.85-80.95. Six-month forward dollar 2.55-2.65c dis. 12-month 5.80-6.00c dis.

THE DOLLAR SPOT AND FORWARD

March 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2350-2.2530	2.2440-2.2450	0.42-0.52c dis	−2.51	1.30-1.40dis	−2.40
Ireland†	1.7310-1.7385	1.7310-1.7330	0.10-0.20c dis	−1.03	0.30-0.40dis	−0.80
Canada	1.1842-1.1880	1.1846-1.1849	0.17-0.22c dis	−1.97	0.53-0.58dis	−1.87
Nethlnd.	2.3250-2.3320	2.3300-2.3320	1.02-0.92c pm	4.99	2.67-2.57 pm	4.49
Belgium	34.37-34.50	34.37-34.39	0.45-0.60c dis	−0.18	0.45-0.65dis	−0.06
Denmark	6.5900-6.6225	6.6150-6.6200	1-½ore pm	1.36	1-½ pm	0.45
W. Ger.	2.0900-2.1060	2.1045-2.1055	0.40-0.34pf pm	2.11	1.15-1.09 pm	2.13
Portugal	56.55-56.80	56.60-56.75	10c pm-20dis	−1.06	25pm-50dis	−0.88
Spain	85.10-85.43	85.20-85.25	5-25c dis	−2.11	20-45 dis	−1.52
Italy	1046-1050	1046-1047	4-4¾lire dis	−5.01	12½-14 dis	−5.06
Norway	5.3625-5.3800	5.3650-5.3700	1.30-0.80ore pm	2.35	3.45-2.95 pm	2.38
France	4.9375-4.9650	4.9375-4.9425	0.80-0.65c pm	1.76	1.70-1.45 pm	2.27
Sweden	4.5800-4.6215	4.5800-4.5850	0.05-0.25ore dis	−0.39	0.50-0.70dis	−0.52
Japan	210.60-211.30	211.20-211.30	1.35-1.20y pm	7.24	3.85-3.50 pm	6.77
Austria	14.85-14.88	14.86½-14.88½	4.90-3.80gro pm	3.43	12.50-9.00 pm	2.89
Switz.	1.9000-1.9230	1.9220-1.9230	1.28-1.18c pm	7.68	3.38-3.28 pm	6.93

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Mar. 31	Bank of England Index	Morgan Guaranty Changes%
Sterling	100.1	−26.5
U.S. dollar	99.8	−4.2
Canadian dollar	85.9	−17.5
Austrian schilling	116.6	+25.1
Belgian franc	108.2	+9.5
Danish kroner	89.9	−10.1
Deutsche mark	121.7	+40.3
Swiss franc	135.8	+76.1
Guilder	112.9	+15.5
French franc	87.4	−9.4
Lira	59.6	−55.0
Yen	143.8	+39.6

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 30	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.546740	0.534731
U.S. $	13	1.22415	1.19860
Canadian $	16.69	1.45196	1.42370
Austria Sch.	6¾	18.3806	17.9910
Belgium F.	13	42.6127	41.6783
Danish K.	11	8.15814	7.99286
D mark	7½	2.59899	2.54225
Guilder	9	2.87553	2.81371
French Fr.	9½	6.12442	5.99000
Lira	19	1296.07	1268.12
Yen	6¼	260.622	253.504
Norwgn. Kr.	9	6.62449	6.47364
Spanish Pta.	8	105.461	103.343
Swedish Kr.	12	6.65865	6.53957
Swiss Fr.	4	2.36856	2.31749
Greek Dr'ch.	20½	—	61.9197

OTHER CURRENCIES

Mar. 31	£	$		£ Note Rates
Argentina Peso	N/A	N/A	Austria	33.15-33.55
Australia Dollar	1.9190-1.9230	0.8560-0.8565	Belgium	80.30-81.10
Brazil Cruzeiro	170.38-171.38	76.15-76.53	Denmark	14.75-14.91
Finland Markka	9.09-9.10	4.0570-4.0590	France	11.04-11.14
Greek Drachma	112.550-115.497	51.00-51.20	Germany	4.68½-4.73
Hong Kong Dollar	11.83½-11.85½	5.2800-5.2840	Italy	2300-2380
Iran Rial	168.30*	75.20*	Japan	474-480
Kuwait Dinar(KD)	0.613-0.619	0.2742-0.2744	Netherlands	5.20-5.25
Luxembourg Frc.	77.10-77.20	34.37-34.39	Norway	11.98-12.10
Malaysia Dollar	5.1050-5.1150	2.2770-2.2800	Portugal	124-128
New Zealand Dlr	2.4425-2.4475	1.0890-1.0900	Spain	184½-197
Saudi Arab. Riyal	7.49-7.55	3.3490-3.3510	Sweden	10.28-10.38
Singapore Dollar	4.6750-4.6850	2.0860-2.0880	Switzerland	4.28½-4.33
Sth African Rand	1.7920-1.7940	0.7985-0.7995	United States	2.23¼-2.25¼
U.A.E. Dirham	8.21-8.27	3.6720-3.6740	Yugoslavia	78-82

Rate given for Argentina is free rate. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 31	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.5836	+1.92	+1.88	±1.5361
Danish Krone	7.91917	7.99284	+0.93	+0.89	±1.6413
German D-Mark	2.54502	2.53630	−0.34	−0.38	±1.1386
French Franc	5.99526	5.98420	−0.18	−0.22	±1.3638
Dutch Guilder	2.81318	2.81136	−0.05	−0.09	±1.5139
Irish Punt	0.685145	0.695808	+1.56	+1.52	±1.6688
Italian Lira	1262.92	1266.82	+0.31	+0.31	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Mar. 31	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.245	4.725	474.0	11.145	4.315	5.220	2355.	2.661	77.15
U.S. Dollar	0.446	1.	2.105	211.2	4.965	1.922	2.326	1049.	1.185	34.37
Deutschemark	0.212	0.475	1.	100.3	2.359	0.913	1.105	498.4	0.563	16.33
Japanese Yen 1,000	2.110	4.735	9.968	1000.	23.51	9.103	11.01	4968.	5.613	162.8
French Franc 10	0.897	2.014	4.240	425.3	10.	3.872	4.684	2113.	2.387	69.22
Swiss Franc	0.232	0.520	1.095	109.8	2.583	1.	1.210	545.8	0.617	17.88
Dutch Guilder	0.192	0.430	0.905	90.80	2.135	0.827	1.	451.1	0.510	14.78
Italian Lira 1,000	0.425	0.953	2.006	201.3	4.732	1.832	2.217	1000.	1.130	32.76
Canadian Dollar	0.376	0.844	1.776	178.2	4.189	1.622	1.962	885.2	1.	29.00
Belgian Franc 100	1.296	2.909	6.124	614.4	14.45	5.593	6.766	3052.	3.448	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 31)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 13/16	offer 14 15/16	bid 14 13/16	offer 14 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 31	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	11⅞-12⅛	14½-14¾	17-18	9½-9¾	1⅛-2	12¼-12⅜	12-12¼	17-19	40-60	7⅜-7⅝
7 days' notice	12⅛-12⅜	14⅝-14⅞	17-18	9¾-10	4-4½	12¼-12⅝	12-12¼	17½-19	40-44	7½-7¾
Month	12½-12⅝	13½-14¾	17⅛-17½	9⅞-10⅛	7⅝-7½	12½-12⅝	12¾-13¼	19-20	24-29	7¾-8
Three months	12½-12⅝	14½-14¾	16⅛-16⅞	10⅛-10⅜	7⅞-7⅞	12½-12⅝	13-13½	19½-20½	18½-20½	7⅝-7⅞
Six months	12⅛-12⅜	14½-14¾	15⅝-16	10⅛-10½	7⅝-7¾	12⅝-12⅞	13⅛-13⅝	19½-20½	16½-18½	7¾-8
One Year	12⅛-12⅜	14⅝-14⅞	15-15⅝	10½-10⅞	7½-7⅝	11⅞-11⅞	13⅛-13⅝	19½-20½	15¼-16¼	7¾-8

SDR linked deposits: one-month 12¾-13 per cent; three months 12¹³⁄₁₆-13³⁄₁₆ per cent; six months 12¾-13 per cent; one-year 12¹³⁄₁₆-13³⁄₁₆ per cent.

ECU linked deposits: one-month 12⅞-13¼ per cent; three months 12⅞-13¼ per cent; six months 12⅞-13¼ per cent; one-year 12½-13⅛ per cent.

Asian $ (closing rates in Singapore): one-month 14¹³⁄₁₆-14¹⁵⁄₁₆ per cent; three months 14¹³⁄₁₆-14¹⁵⁄₁₆ per cent; six months 14¹³⁄₁₆-14¹⁵⁄₁₆ per cent; one-year 14⅝-14⅞ per cent. Long-term Eurodollar two years 14⅝-14⅞ per cent; three years 14⅝-14⅞ per cent; four years 14⅝-14⅞ per cent; five years 14⅝-14⅞ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.10-14.20 per cent; three months 14.10-14.20 per cent; six months 14.00-14.10 per cent; one-year 14.00-14.10 per cent.

INTERNATIONAL MONEY MARKET

Belgian rates up

The Belgian bank rate was increased to 16 per cent yesterday, a post-war record, as part of an attempt to prop up the Belgian franc. The latter has been trading at its floor level within the European Monetary System against the French franc and D-mark for some time, despite very heavy central bank support. Pressure on the Belgian unit intensified yesterday as the Belgian Prime Minister offered his resignation, after failure of his coalition Government to agree a wage freeze. Trading on the foreign exchange market halted after the bank rate announcement, but when trading resumed, the Belgian franc was quoted above its floor level.

The bank rate previously stood at 13 per cent having been increased from 12 per cent only last week. Other measures announced yesterday included an increase in the central bank's Lombard facility to 18 per cent from 15 per cent. The little used special Lombard facility, introduced last week, to cover banks' lending outside and above ordinary Lombard lending limits, rose by four points to 20 per cent. Treasury bill rates rose to 16 per cent from 14.5 per cent for one-month, and 16.5 per cent from 14.75 per cent for two-month. Three-month bills rose to 17 per cent from 15 per cent. Also the rate on four-month bond fund paper rose to 17 per cent from 14 per cent. Further measures are to be introduced to increase commercial banks' holdings of Government stock in relation to their liabilities.

In Paris call money rose to an eight-month high of 12¼ per cent compared with 12 per cent on Monday, as banks sought funds to meet end of month reserve requirements. There appeared to be no intervention by the Bank of France to ease conditions.

MONEY RATES

NEW YORK

Prime Rate	17-17½
Fed. Fund	14¼-14½
Treasury Bills (13-week)	12.45
Treasury Bills (26-week)	12.05

GERMANY

Special Lombard	12.0
Overnight Rate	12.0
One month	12.90
Three months	13.50
Six months	13.10

FRANCE

Intervention Rate	12.5
Overnight Rate	12.125
One month	12.5
Three months	12.875
Six months	12.875

JAPAN

Discount Rate	6.25
Call (Unconditional)	7.50
Bill Discount (three-month)	7.40625

UK MONEY MARKET

Further help

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

Day-to-day credit appeared to be in short supply in the London money market yesterday, and the authorities gave assistance on a small scale. This comprised purchases of Treasury bills, local authority bills and eligible bank bills, direct from discount houses. Discount houses were paying around 11¾ per cent for secured call at the start, with later balances taken at 12 per cent. The market was faced with a moderate amount of commercial bills maturing in official hands, and the unwinding of a previous sale and repurchase agreement involving a small amount of bills. On the other hand Government disbursements exceeded revenue transfers to the Exchequer by a large amount.

In the interbank market overnight money opened at 11¾-12 per cent and rose to 12-12¼ per cent. Rates touched 12¾-13 per cent during the afternoon, with closing balances taken at 11½-12 per cent.

GOLD

Further fall

Gold fell $15 to close at $506-509. It opened at $511-514, but weakened on news of the easing of tension in Poland. It lost ground on the situation in Poland and the firmer trend in Eurodollar interest rates. Trading was very quiet, and the assassination attempt on President Reagan did not have a lasting impact. The metal was fixed at $514.25 in the morning, and $513.75 in the afternoon.

In Paris the 12½-kilo gold bar was fixed at FFr 85,500 per kilo ($536.37 per oz) in the afternoon, compared with FFr 85,500 ($536.55) in the morning, and FFr 86,660 ($538.75) Monday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 34,780 per kilo ($514.53 per oz), against DM 36,150 ($529.99) previously, and closed at $512-515, compared with $525-528.

In Zurich gold finished at $513-516, against $525-528.

	Mar. 31		Mar. 30	
Gold Bullion (fine ounce)				
Close	$506-509	(£225½-226¾)	$521-524	(£233-234½)
Opening	$511-514	(£227½-228¾)	$530-533	(£236½-238)
Morning fixing	$514.25	(£229.146)	$529.5	(£236.642)
Afternoon fixing	$513.75	(£228.974)	$526.50	(£235.412)
Gold Coins				
Krugerrand	$520-521½	(£231¾-232½)	$533½-535	(£238½-239¼)
1/2 Krugerrand	$268-270	(£119½-120½)	$275-277	(£123-123¾)
1/4 Krugerand	$136-138	(£60½-61½)	$140-142	(£62½-63½)
1/10 Krugerrand	$57-59	(£25½-26¼)	$59-60	(£26¼-26¾)
Mapleleaf	$516-516½	(£229½-230¼)	$528-529¼	(£236-236¾)
New Sovereigns	$126½-127½	(£56½-57)	$130-131	(£58-58½)
King Sovereigns	$147-149	(£65½-66½)	$148-150	(£66¼-67¼)
Victoria Sovs.	$147-149	(£65½-66½)	$148-150	(£66¼-67¼)
French 20s	$169-172	(£75¼-76¾)	$170-173	(£76-77¼)
50 pesos Mexico	$635-640	(£283-285½)	$650-655	(£290½-292¾)
100 Cor. Austria	$500-505	(£223-225)	$508-513	(£227¼-229¼)
$20 Eagles	$626-631	(£279-281¼)	$635-640	(£284-286)

LONDON MONEY RATES

Mar. 31 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◊	Eligible Bank Bills ◊	Fine Trade Bills ◊
Overnight	—	11½-13	12-12¼	—	—	12¼-12½	11¾-12	—	—	—
2 days notice	—	—	12½-12⅝	—	—	—	—	—	—	—
7 days or	—	—	12⅝	—	12⅞	12⅝-12¾	12	—	—	—
7 days notice	—	12⅛-12⅜	12⅝	13⅛-13¼	12⅞	12⅞	12	11¹⁹⁄₃₂-11½	11¹³⁄₁₆-11⅝	13
One month	12⅝-12⅞	12½-12⅝	—	13⅛-13¾	12⅞	12⅞	12	11⅝-11¹⁹⁄₃₂	11⅝	12⅞
Two months	12⅝-12⅞	12¾-12⅝	12½-12⅝	12⅞-12½	12⅞	12⅞	11¾	11½-11⅜	11½-11⅜	12⅝
Three months	12⅜-12⅞	12½-12⅝	12¼	12½-12¼	12⅞	12¾	—	—	11⅞	13
Six months	12⅜-12	12⅞-12⅜	—	12⅝-12¼	12⅞	12⅝	—	—	—	—
Nine months	12⅛-11⅞	12⅜-12⅜	—	—	12⅞	12⅝	—	—	—	—
One year	12⅛-11⅞	12⅜-12⅜	12¼-12⅜	12½-12¼	12⅞	12⅝	—	—	—	—
Two years	—	—	12¾	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 12⅞ per cent; four years 13 per cent; five years 13¼-13½ per cent. ◊Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅝ per cent; four months trade bills 12¾ per cent.

Approximate selling rate for one-month Treasury bills 11⁹⁄₁₆-11¹⁷⁄₃₂ per cent; two months 11½-11¹⁵⁄₃₂ per cent; three-months 11¹⁵⁄₃₂-11½ per cent. Approximate selling rate for one-month bank bills 11⅞-11²⁷⁄₃₂ per cent; two months 11²³⁄₃₂-11²⁵⁄₃₂ per cent; three months 11⅝-11¹⁹⁄₃₂ per cent; one-month trade bills 12¾ per cent; two months 12⅝ per cent and three months 12⅝ per cent.

Finance House Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.5305 per cent.

WORLD STOCK MARKETS

Early Wall St. upsurge of 12

REFLECTING RELIEF over President Reagan's good condition after the gunshot wound, an easing of interest rates and a reduction of tensions in Poland, Wall Street rebounded sharply in fairly active early trading yesterday, following Monday's late afternoon decline and early closure on the shooting news.

The Dow Jones Industrial Average had moved ahead 12.07 to 1,004.23 at mid-day, while the NYSE All Common Index advanced 88 cents to $78.24 and rises outpaced falls by a three-to-one margin. Turnover sharply increased to 29.27m shares from the 19.16m recorded at noon the previous day.

Reagan was well enough yesterday morning to sign a bill killing an increase in milk price supports. The Solidarity trade union is expected to approve an agreement the leadership reached with the Polish Government. Western sources said Warsaw Pact military exercises seemed to be drawing to an end.

On the interest rate front, Citibank held its Prime Rate unchanged at 17 per cent, even though it raised its broker loan rate ½ a point on Monday to 16 per cent. Broker rate changes often precede changes in the Prime Rate. Rates were easing in the credit market, continuing a trend evident on Monday before the assassination attempt on President Reagan.

Volume leader Sony gained ⅜ to $18⅜. Active Holiday Inns added 1¼ at $28¼ and Tandy $3 at $59⅝.

Among Blue Chips, General Motors rose ⅞ to $53, Du Pont ¼ to $59¾, American Telephone ⅝ to $51⅞ and Eastman Kodak 1⅞ to $82⅞. Kodak announced an improved colour film processing package for amateurs.

National Semiconductor rose 1½ to $33¼. It has agreed to sell all of its calculator and watch operations to newly-formed Novus Electronics for undisclosed terms.

Other Technology issues were higher. Active IBM put on $1 to $62½, Honeywell 1½ to $106, Computervision 2⅜ to $83⅜, and Digital Equipment 2¼ to $94.

THE AMERICAN SE Market Value Index strengthened 2.99 to 359.64 at noon. Volume 3.11m shares (2.64m).

Closing prices for North America were not available for this edition.

Canada

Markets in Canada tended to follow the U.S. early uptrend, with the Toronto Composite index, down 15 points on Monday, rallying 11.7 to 2,330.2 at noon. Oil and Gas rose 33.4 to 4,393.4, but Golds shed 22.5 to 4,261.0.

Tokyo

After a sharp early fall on news of the assassination attempt on President Reagan, the market rebounded on "short covering" and selective strong buying on later reports that Reagan was in a stable condition after his operation.

The Nikkei-Dow Jones Average retreated about 50 points, but subsequently forged ahead to finish at an all-time high of 7,334.31, up a net 29.62. The Tokyo SE index gained 1.92 on the day at 530.17, while advances finally outnumbered declines on the First Market section by 326 to 265. Trading volume picked up sharply to match the recent very heavy levels, about 860m shares changing hands against Monday's 320m.

Steels, Shipbuildings and Heavy Electric Machines finished strongly higher on balance on fresh buying by Japanese corporations and Financial Institutions, while some Precision Instruments were likewise sharply firmer on the day.

Hitachi rose Y12 to Y412, Mitsubishi Heavy Y11 to Y223, Ishikawajima-Harima Heavy Y8 to Y177, Mitsui Shipbuilding Y10 to Y211, Kobe Steel Y6 to Y182, Nippon Steel Y4 to Y169 and Mitsubishi Electric Y8 to Y266. Canon gained Y25 to Y975, Minolta Y22 to Y832 and Fuji Photo Film Y50 to Y1,230, while in mixed high-priced Light Electricals TDK Electronic added Y90 at Y4,150.

Constructions, Textiles, Chemicals and Banks ended mainly higher, but Coals and Oils turned downwards on the easing political situation in Poland, while Motors were weak at the close.

Toray put on Y3 to Y300, Teijin Y12 to Y179, Hasegawa Construction Y9 to Y532, Toyo Soda Y7 to Y168 and Fuji Bank Y5 to Y400.

Germany

Share prices closed generally higher after quiet trading on Tuesday, with brokers saying that the shooting of President Reagan did not affect trading. By the time the market opened, the U.S. leader had already been reported to be recovering well from his bullet wound.

Trading was said to be quiet due to end-of-quarter accounting considerations, but prices received a boost from the relaxation of tensions in Poland. The Commerzbank index rose 2.9 to 687.1.

Deutsche Bank attracted good interest, rising DM 3.60 to a day's high of DM 290.50 at the close, with dealers expecting a higher dividend to be announced later that afternoon.

Paris

An easier tendency prevailed in light dealings, essentially due to the further ¼ of a point rise in the Call Money rate to 12¼ per cent.

Declines predominated in most sectors, but Portfolios and Stores generally resisted the downward movement, while Constructions were mixed.

Thomson CSF gained FFr 4.9 to FFr 389.9 on news that it is negotiating on co-operation with Continental Telephone, of the U.S.

Australia

Trading was moderate yesterday as Oils and Minings remained easier-inclined, the latter sector in the wake of lower Gold Bullion and other metal prices. However, Industrials again showed a bias to higher levels.

Observers discounted the shooting of the U.S. President as a factor in the market trading, citing a widespread belief that he would recover.

Take-over stocks dominated as Carlton United Breweries, expected to have a major stake in the proposed Elder Smith GM-Jones IXL merger, advanced 33 cents to A$2.60.

In further response to the bids for the outstanding equity of the Nabarlek uranium project partners by Pioneer Concrete, Kathleen Investments rose another 70 cents to A$9.20 and Queensland Mines climbed A$1.60 to A$12.80. Pioneer slipped 10 cents to A$2.40.

Johns Perry rose 15 cents to A$3.20 on higher dividend and profits for the December half-year, while Herald put on 8 cents to A$2.83 after an increased interim dividend.

Among Minings, MIM receded 17 cents to A$4.40, North Broken Hill 10 cents to A$3.10 and CRA 5 cents to A$4.80, but Hamersley improved 10 cents to A$3.10, as did Coal issue UMAL to A$3.90.

Hong Kong

Following Monday's sharp setback, shares tended to ease afresh yesterday in another moderate business. The Hang Seng index, which fell about 64 points the previous day, shed 8.14 more to 1,369.65.

Trading was largely featureless, although local incidents, including a bomb explosion in the central business district and news of a new large influx of immigrants, tended to prompt investors to hold off. The assassination attempt on President Reagan had no discernible influence on the market.

Johannesburg

Gold shares retreated in quiet trading on the weak Bullion price, but ended above the day's lows. Heavyweight losses mostly ranged between 100 and 250 cents, although Winkelhaak fell R6.00 to R33.50.

Indices

NEW YORK —DOW JONES

	Mar. 30	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
•Industr'ls	992.16	994.78	1005.76	1015.22	996.16	1004.28	1015.22 (25/3)	931.57 (13/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	61.87	61.35	62.16	62.25	62.35	62.74	65.78 (16/1)	61.85 (27/3)	—	—
Transport.	450.65	450.19	435.26	433.56	424.95	424.59	433.56 (25/3)	379.18 (20/2)	433.56 (25/3/81)	12.23 (8/7/32)
Utilities	107.82	107.55	106.22	108.55	107.80	108.22	117.81 (5/1)	105.41 (25/2)	165.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's†	53,500	46,950	60,370	56,520	66,400	57,880	—	—	—	—

•Day's high 1005.04 low 987.21

Ind. div. yield %	Mar. 27	Mar. 20	Mar. 13	Year ago (approx)
	5.57	5.58	5.66	6.70

STANDARD AND POORS

	Mar. 30	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	152.22	152.75	154.65	155.60	152.64	153.82	167.02 (6/1)	145.78 (2/2)	160.58 (28/11/80)	3.52 (30/6/32)
Composite	134.28	134.65	136.27	137.11	134.67	135.69	138.12 (6/1)	126.58 (20/2)	140.52 (28/11/80)	4.40 (1/6/32)

	Mar. 25	Mar. 18	Mar. 11	Year ago (approx)
Ind. div. yield %	4.44	4.54	4.68	5.97
Ind. P/E Ratio	9.68	9.45	9.16	6.94
Long Gov. Bond Yield	12.63	11.91	12.52	12.59

N.Y.S.E. ALL COMMON

Mar. 30	Mar. 27	Mar. 26	Mar. 25	1981 High	1981 Low
77.36	77.59	78.43	78.82	79.14 (6/1)	72.46 (20/2)

Rises and Falls	Mar. 30	Mar. 27	Mar. 26
Issues Traded	1,891	1,887	1,933
Rises	668	493	691
Falls	828	1,011	873
Unchanged	395	383	369
New Highs	57	77	146
New Lows	5	5	3

MONTREAL

	Mar. 30	Mar. 27	Mar. 26	Mar. 25	1981 High	1981 Low
Industrials	384.93	385.75	388.63	389.16	388.16 (25/3)	369.26 (20/2)
Combined	365.27	364.27	368.54	366.56	368.58 (25/3)	339.34 (20/2)
TORONTO Composite	2318.5	2355.7	2341.6	2336.4	2341.6 (26/3)	2151.4 (20/2)

	Mar. 31	Mar. 30	Mar. 27	Mar. 26	1981 High	1981 Low
AUSTRALIA All Ord. (1/1/80)	708.0	709.6	707.4	701.7	727.9 (7/1)	641.1 (17/2)
Metal & Minrls. (1/1/80)	623.1	634.4	630.0	622.5	735.2 (7/1)	554.9 (5/3)
AUSTRIA Credit Aktien (2/1/62)	62.72	62.60	62.47	62.45	66.45 (6/1)	62.45 (26/3)
BELGIUM Belgian SE (31/12/63)	92.18	92.38	92.24	92.41	96.15 (17/2)	92.18 (31/3)
DENMARK Copenhagen SE (1/1/73)	108.57	108.28	109.12	107.85	108.70 (11/3)	95.88 (2/1)
FRANCE CAC General (29/12/61)	111.5	111.6	112.0	111.7	112.5 (17/3)	105.1 (29/1)
Ind Tendance (31/12/80)	103.7	105.9	104.5	104.9	106.8 (18/3)	95.4 (27/1)
GERMANY FAZ-Aktien (31/12/58)	222.76	221.68	221.85	225.15	226.13 (6/1)	216.88 (9/2)
Commerzbank (Dec. 1953)	687.1	684.2	684.60	688.0	706.0 (6/1)	666.4 (16/2)
HOLLAND ANP-CBS General (1970)	88.5	88.2	88.7	89.1	90.5 (28/2)	85.7 (2/1)
ANP-CBS Indust. (1970)	67.7	67.5	67.7	68.0	68.9 (26/3)	62.8 (2/1)
HONG KONG Hang Seng Bank (31/7/64)	1369.65	1377.79	1441.66	1450.51	1650.82 (4/2)	1295.44 (11/3)
ITALY Banca Comm. Ital (1972)	246.31	247.40	245.89	244.50	247.40 (30/3)	178.66 (6/1)
JAPAN Dow Average (16/5/49)	7334.31	7304.69	7303.04	7307.27	7334.31 (31/3)	6959.62 (18/3)
Tokyo New SE (4/1/68)	530.17	528.25	527.84	528.02	530.17 (31/3)	495.79 (5/1)
NORWAY Oslo SE (1/1/72)	118.58	119.85	120.75	120.44	124.18 (3/3)	116.22 (13/2)
SINGAPORE Straits Times (1966)	826.67	818.62	816.75	815.55	825.47 (10/3)	658.52 (2/1)
SOUTH AFRICA Gold (1958)	(u)	661.8	679.6	666.2	797.5 (7/1)	581.3 (3/3)
Industrial (1958)	(u)	621.7	621.7	618.6	621.7 (27/3)	537.2 (3/2)
SPAIN Madrid SE (30/12/80)	112.94	(c)	112.56	111.76	114.26 (17/2)	100.46 (2/1)
SWEDEN Jacobson & P. (1/1/58)	490.52	491.45	492.75	492.93	493.61 (25/3)	404.17 (20/1)
SWITZERLAND Swiss Bank Cpn. (31/12/58)	298.1	297.6	298.7	299.3	303.8 (6/1)	287.0 (13/2)
WORLD Capital Intl. (1/1/70)	—	157.7	158.5	160.8	162.8 (6/1)	149.8 (17/2)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. (c) Closed.

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
Sony	876,900	18¼	−⅛
American Can.	425,700	38⅞	+1½
IBM	362,500	61½	−¼
Natl. Med. Care	333,600	21¼	−1⅞
Marathon Oil	292,300	53½	−⅞
Tandy	287,500	56⅝	−⅛
Gulf United	270,800	22½	−½
Exxon	243,300	69	−½
Sears Roebuck	234,600	18½	—
K Mart	229,500	19⅛	—

COMMODITIES AND AGRICULTURE

Lower interest rate for farm borrowing

BY RICHARD MOONEY

LOWER interest rates and greater borrowing flexibility for farmers were announced yesterday by the Agricultural Mortgage Corporation (AMC).

From today annual interest on all new variable rate loans comes down from 15.5 to 14.5 per cent. The charge on fixed rate loans remains at 15.5 per cent. On existing variable rate loans charges will remain at 15.5 per cent (quarterly reviewed) and 16.5 per cent (half-yearly reviewed) until the next review date on June 1, when both will come down to 14.5 per cent.

Announcing the cut in London yesterday Mr. F. Clive de Paula, the Corporation's managing director, said a third of the £400m it had out on loan to farmers was at the variable interest rate but about half of its new borrowers were currently opting for this interest basis.

A new facility is being offered to AMC borrowers allowing them to switch from the variable to the fixed interest rate (but not vice versa) at their own discretion. While this is clearly not an attractive proposition at present, Mr. de Paula said it should encourage farmers to take new variable rate loans.

He explained that farmers generally preferred the certainty of fixed interest rates, but that when rates were too high they were reluctant to take out fixed rate loans. Now they could take a variable rate loan and convert to a fixed rate later, he said.

New lending by the Corporation fell last year, partly reflecting the slow-down in the farmland market, and the total reached only £30m, compared with £43m in the previous year and the record £50m the year before that. The average for the past 10 years was about £40m.

Another benefit for AMC customers announced yesterday was the abolishing of the 1½ per cent loan and substitution fees farmers paid when taking out new loans or switching existing loans to new properties. Last year the Corporation collected about £450,000 in this way.

Mr. de Paula said it was possible to forego this source of income partly because of the streamlining of the Corporation's operation through a 25 per cent staff cut and improved technical efficiency.

He described AMC as "a profit-making but not a profit-seeking organisation." The dividend rate paid to its shareholders—the Bank of England and the clearing banks—has a 3½ per cent ceiling and any extra profits are added to reserves.

Weak copper market forecast

BY ROY HODSON

A CONTINUED weak copper market, particularly in the first half of this year, is forecast by the American producer Asarco. The company says in its annual report it expects U.S. copper production to be greater than last year when it was hurt by a lengthy strike, while it expects consumption to remain close to 1980 levels.

"However, if economic conditions improve as expected towards the end of 1981 and beyond periods of scarcity of copper are likely to develop" the company said.

Copper prices improved on the London Metal Exchange yesterday following a fall of £19.5 the previous day. Cash copper wirebars gained £6.75 to £834 a tonne.

Total copper shipments in the U.S. rose last month to 291m lbs from 269m lbs the previous month. Kennecott, the big Utah-based producer, announced yesterday it will increase the premium it charges for its electrolytic copper cathodes by 0.5 cents a lb from today. The new premium is 3 cents per lb over Comex prices.

Depressed silver prices during the next few months are forecast by Samuel Montagu in its annual bullion review. Silver could test its 1980 price liws over the next few months though some recovery might occur towards the end of the year, the review says. While silver would be affected by man yof the same factors as gold, its relative position could be further eroded as a result of overhanging stocks and absence of central bank interest.

U.S. domestic mine production of silver fell last year to 29.6m ounces from 38.1m ounces in 1979, the U.S. Bureau of Mines reports.

Chrome mining outlook dim

BY OUR OWN CORRESPONDENT

SALISBURY — At current market prices, the production of ferrochrome from chromite deposits in Zimbabwe's Great Dyke is being carried out at a loss according to RAL merchant bank. The labour-intensive Zimbabwean chrome mining industry has been severely affected by the higher wage minima imposed by government last year, and its competitive position suffers because of transport costs.

The bank believes that the main hope for Zimbabwe's chrome producers — Rhodall, owned by the Anglo American Corporation and Union Carbide, the U.S.-based multinational—is that world stocks, which have been run down during the recession will soon be replenished. But the bank warns that while any improvement in demand might lead to higher prices, these gains could well be whittled away by higher wages and increased transport and electricity tariffs.

Growing congestion on the Zimbabwe railway system is already affecting deliveries to the ports and islikely to cast doubt on Zimbabwe's dependability as a suplier.

Zimbabwe's chrome output totaled 553,000 tonnes last year, up marginaly on 1979 and 16 per cent higher than in 1978.

Jamaica to miss sugar export target

By Canute James in Kingston

THE JAMAICAN sugar industry will be unable to meet its export commitments this year. The industry has been shut down by a strike by its 10,000 workers, who are protesting at the slow pace of negotiations on wage increases.

The industry needed to produce 120,000 tonnes by the end of April to meet its quota to the EEC under the sugar protocol of the Lomé Convention, and production was running behind schedule when the workers struck.

A further 110,000 tonnes is needed for the local market, and smaller quantities were earmarked for the sugar importing countries of the Caribbean Commonwealth and the world market.

The shutdown has come in the worst year ever for the industry. Just before the strike, the crop target had been reduced to 230,000 tonnes having previously been adjusted downward from 300,000 tonnes to 260,000 tonnes.

Mr. Edward Seaga, the Jamaican Prime Minister, who two days ago made an unsuccessful effort to end the strike, has said the industry was likely to face a loss of $17m this year, adding to accumulated losses of $50m.

Mr. Seaga said also that the country was losing by shipping to the EEC, a complaint shared by other Caribbean exporting countries.

Efforts continued late yesterday to break the strike, with the unions asking for increases of 30 per cent and the employers saying they cannot go beyond 15 per cent, and that even this would be a strain of the economically-endangered industry.

On the London futures market yesterday world sugar values slipped further. The August position ended the day £9.50 down at £221.125 a tonne and has now fallen more than £15 since last Friday's close.

Dealers said the fall was mainly due to technical influences with few fundamental factors affecting prices. The forecast by trade house Woodhouse Drake and Carey that the world 1980/81 sugar production deficit would reach 3.7m tonnes, compared with 3.2m estimated in its previous report, came as no surprise, they said.

CHINESE FOOD PRODUCTION

A country at war with hunger

BY COLINA MACDOUGALL IN PEKING

CHINA'S cruel climate has not relented since last year's weather disasters. In the north, especially in the hardest hit Hebei province, the ground is parched after a dry winter and the water table has sunk even lower.

Though the summer floods in Hubei province in Central China finally receded last December, the waterlogged ground is hard to drain because centuries of conservation have raised the bed of the Yangtse above the surrounding fields. This year's crops are certain to be affected, though it is early to tell how badly.

The UN Disaster Relief Organisation, which sent a team to the stricken provinces in January, was deeply shocked at the scale of the floods and drought. In the two provinces, 43m people have been affected by disaster while in five others 130m more have been touched.

In the two provinces, actual food intake has been reduced to 1,200 calories a day, from the 1,400 allowed by the Chinese rationing system. Low incomes have been reduced by 25 to 30 per cent.

Peking has already done what it could. It has shipped in $140m worth of aid, $31m in cash and 150,000 tonnes of grain. The EEC has offered 2,000 tonnes of milk powder and 8,000 tonnes of cooking oil. The UNDRO team recommended another 1.5m tonnes of grain, plus soya beans, drugs, clothing and seed totalling some $700m worth.

Analysts in London firmly believe the Chinese have a disaster on their hands. The UNDRO eye-witness report confirms news reports of appalling weather last year.

But comparing official Chinese reporting last year with that in previous years, their saddening conclusion is that China is no stranger to catastrophe on this scale, though ever rising food output and improved distribution have mitigated the worst effects.

Inexorably China's grain imports had crept up, and are expected to jump this year to about 15m tonnes. Yet the 1980 grain harvest, in terms of figures, was not that bad. Output topped 317m tonnes, second only to 332m claimed for 1979. Even the 1978 figure, at 305m, was good. So why, particularly after the great leap in 1979, is China so needy now?

Inevitably the 1979 figure has aroused suspicion. At the end of 1978, Deng Xiaopong, architect of China's more liberal policies, raised the prices paid to peasants by 20 per cent or more and allowed freer growth of private agriculture. He diverted investment to agriculture from heavy industry, earning hostility from the powerful industrial barons who opposed him. He needed a success to justify his policies.

Then Peking inexplicably upped its 1979 harvest claim from a supposedly final figure of 325m tonnes to 332m a few weeks later. Even the CIA, the most assiduous of economic China watchers, confessed themselves at a loss for a practical explanation of this change.

If the figures were not deliberately manipulated, they may have been increased piecemeal by grass roots officials anxious for success. On the other hand this tendency may have been cancelled out by the opposite desire to under report so as to keep more or to claim relief when in trouble.

In the last resort, perhaps the statisticians are simply inadequate. Whatever the reason, evidently even a good harvest is not enough to tide China over a bad year following.

If the high output of 1979 was real the Chinese may simply have eaten it at the time. No outsider has ever seen facilities for long-term storage. It is presumed that Peking maintained basic strategic stocks and it is possibly out of these that Hubei and Hebei have been supplied.

More cynically, some observers even wonder if Peking had not decided to abandon the stricken provinces to their fate so as to avoid earning hostility by depriving the better off areas of their surplus. Calling in the international community is one way out and fits with their burgeoning enthusiasm for aid loans.

This is partially borne out by Peking's recent handling of its grain imports. While it had overall agreement with five nations (the U.S., Canada, Australia, France and Argentina) to buy a total this year of 13m to 15m tonnes, it is not currently taking up its full options. In January it cancelled a 350,000 tonne purchase from the U.S. and is holding back on buying from Australia, possibly to get better prices later on in the year.

Since Mao's death, recognising the massive scale of the food problem, Deng has put increasing effort into boosting yields. Had it not been for freakish weather last year, they would have gone on rising. Unlike grain, cash crops did well with a 20 per cent rise in cotton and 10 per cent in sugar.

Reversing 30 years of doctrinaire collectivisation, Deng is dismantling the commune structure in the countryside to stimulate production. This is not always popular where households are short of hands —for instance among soldiers' relatives—but it has spread well beyond the isolated areas it was initially meant for. With hunger a constant factor, food at any ideological price is the current watchword.

More political freedom cannot conquer the sudden natural calamities that regularly befall the country. But it might tackle the root of the long term problems where over decades bureaucratic muddle and apathy have kept production below par.

India fears wheat shortfall

BY K. K. SHARMA IN NEW DELHI

WITH wheat stocks slumping to just 2.5m tonnes, the lowest level they have reached in five years, fears have arisen that the current winter crop will not be as good as hoped for because of unseasonal rains in the past few days in the northern states of Punjab, Haryana, Rajathan, and Uttar Pradesh.

This is the main wheat-producing belt in India and a bumper wheat crop had been hoped for following timely rain earlier in the season. The recent spell of rain in these states has come when strong dry heat is needed to let the wheat ripen. In some parts of the wheat-growing area, hail has damaged the standing crop.

If the fears prove to be well-founded, the target of 132m tonnes of food grain production in 1980-81 will not be reached and this could seriously affect not just overall economic growth but also food prospects because of depleting stocks.

The present wheat stocks have fallen from the high level of over 10m tonnes just a year ago. Unless the procurement programme to purchase at least 9.5m tonnes by state agencies is carried out after the harvest in April and May, the position could become precarious. This is the minimum needed to bring the stocks to the level that will enable the public distribution system to continue functioning.

The stocks are also needed to revive the "food-for-work" programme — the country's main anti-poverty and employment-generation scheme for the rural areas—which has had to be kept in abeyance because of low wheat stocks position.

The Government had also hoped to export at least 1m tonnes of wheat this year, but these plans have also been delayed until the stocks improve. The total food grain stocks—both wheat and rice—are thought to be around 8m tonnes at present, far below the 11m tonnes considered the minimum for buffer stock purposes.

Intervention buying trims UK barley

Britain's barley "mountain" fell to 517,444 tonnes last week as intervention buying of 14,326 tonnes was exceeded by sales of 21,034 tonnes, the Home Grown Cereals Authority (HGCA) said, yesterday.

By March 27 the season's offers of barley, net of withdrawals, totalled 650,403 tonnes.

Internvention stocks of bread-making wheat remained at 87,671 tonnes. Stocks of feed wheat were down to 1,285 tonnes after 4,264 tonnes were discharged, and rapeseed stocks stood at 3,477 tonnes after discharge of 1,490 tonnes.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firmer on the London Metal Exchange but well below the day's best levels. Forward metal opened at £851 and rose to £860 reflecting the strong performance in overnight American markets. However, lack of follow-through in the U.S. coupled with profit-taking pared the price to £853 by the close of the late kerb. Turnover 13,675 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	833-.5	+1.5	833-.5	+6.75
3 months	858-.5	+2	855-.5	+6
Settlem't	836	+1.5	—	......
Cathodes				
Cash	828-9	+1.5	826-8	+5.75
3 months	845-6	+2	842-4	+4.75
Settlem'	829	+1	—	......
U.S. Prod	—		*87-92	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £836, 35.5, three months £855, 55.5, 56, 57, 56.5, 58, 59, 60, 59, 58.5, 58. Cathodes, three months £846, 45. Kerb: Wirebars, three months £859.5, 59, 58.5. Afternoon: Wirebars, three months £856, 55, 55.5, 55, 54.5, 54, 54.5, 55, 55.5, 55. Cathodes, Cash £828. Kerb: Wirebars, three months £853.5, 53, 52.5, 52, 52.5, 53, 52.5.

TIN—Quietly steady with forward metal closing the late kerb at £6,225. Turnover 925 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6125-30	—65	6130-50	—45
3 months	6225-35	—15	6225-30	—17.5
Settlem't	6130	—65	—	......
Standard				
Cash	6125-30	—65	6130-50	—45
3 months	6225-35	—15	6225-30	—17.5
Settlem't	6130	—65	—	......
Straits E.	†$30.90	......	—	......
New York	—	......	—	

Morning: Standard, Cash £6,135, 25, 30, three months £6,245, 40, 30 25. Kerb: Standard, three months £6,230. Afternoon: Standard, three months £6,220, 25. Kerb: Standard, three months £6,220, 25, 30.

LEAD—Moved ahead but closed below the day's best levels. Forward metal opened at £335 and rose strongly to touch £345 on the morning kerb on fresh buying and short covering prompted by the further rise in zinc. However, this level brought out profit-taking and nervous selling left the price at £337 on the late kerb. Turnover 1,746 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	337.5-8	+4.5	336-7	+8
3 months	341.5-2.5	+4.5	341.5-2	+6.25
S'ment	338	+4.5	—	......
U.S. Spot	—	......	*34-6	......

Morning: £337, 37.5, three months £339, 39.5, 40, 41, 42, 43, 42, 41, 41.5, 42. Kerb: Three months £342, 41.5, 42, 43, 44, 45. Afternoon: Three months £344, 43.5, 43, 42, 41, 41.5. Kerb: Three months £339, 38, 37.5, 37.

ZINC—Gained further ground as the recent heavy speculative buying continued. Heavy buying from one quarter lifted forward metal to £373.5 in the morning but the market subsequently dipped on profit-taking to close the late kerb at £368. Turnover 6,675 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	351-3	+10½	353-61	+9
3 months	371-.5	+9	368.5-9	+7
S'ment	353	+11.5	—	......
Primw'ts	—	......	*41.5	......

Morning: Three months £373, 72, 71, 71.5, 72, 71. Kerb: Three months £371, 70.5. Afternoon: Three months £369, 69.5, 68, 69, 68.5. Kerb: Three months £369, 68, 67, 67.5, 67, 68, 68.5.

ALUMINIUM—Barely changed with forward metal finally quoted at £640.5 on the afternoon kerb. Turnover 3,700 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	638-9	+4.25	638-9	+2.5
3 months	642-3	+2	643-.5	+2.5

Morning: Three months £644, 43, 42, 43. Afternoon: Three months £642. Kerb: Three months £643, 42, 41, 40.

NICKEL—Little changed although offerings of cash narrowed the backwardation to around £10 at one point. Forward metal moved in a narrow range prior to closing the late kerb at £2,795. Turnover 492 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2810-20	-22.5	2810-5	-12.5
3 months	2800-5	-8.5	2795-800	-5

Morning: Three months £2,805, 2,800. Afternoon: Cash £2,810, three months £2,800. Kerb: Three months £2,800, 2,795.

CORAL INDEX: Close 525-530 (+7)

SILVER

Silver was fixed 10.15p an ounce lower for spot delivery in the London bullion market yesterday at 549.05p. U.S. equivalents of the fixing levels were: spot $12.33, down 19.8c; three-month $12.784, down 20.3c; six-month $13.199, down 25.8c; and 12-month $14.189, down 26.1c. The metal opened at 534-543p ($12.00-12.20) and closed at 530-539p ($11.90-12.10).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	549.04p	-10.1	530.00p	-23.0
3 months	565.80p	-10.7	548.00p	-22.2
6 months	580.80p	-12.4	—	......
12months	616.10p	-12.5	—	......

LME—Turnover 99 (166) lots of 10,000 ozs. Morning: three months 565, 67, 68, 67, 68. Kerbs: three months 565. Afternoon: three months 557, 56, 49, 49, 50, 49, 48. Kerbs: three months 545, 43, 41, 40, 38, 40, 39, 38, 40.

COCOA

Cocoa futures remained steady within a narrow trading range during a dull day to close with marginal gains. Actuals business was scarce as consumers continued to wait for lower levels, while producers also remained withdrawn, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	—	—	860-850
May	916-917	—	929-912
July	946-947	+3.0	951-940
Sept.	968-969	+4.5	971-960
Dec.	988-990	+4.5	991-984
March	1010-1011	+6.0	1012-1004
May	1028-1032	+6.5	1030-1024

Sales: 1,886 (1,488) lots of 10 tonnes.
ICCO Futures—Daily price for March 30: 94.99 (95.12); five-day average 96.29 (96.70).

COFFEE

Early spill-over buying influenced a steady but uneventful session as prices maintained early gains throughout the days, reports Drexel Burnham. Continued trade buying encouraged Commission House short covering which may have been linked to reports that Brazil had suspended export registrations to members of the ICO for April/May shipment.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	—	—	1066-52
May	1067-68	+7.5	1074-57
July	1063-65	+2.5	1069-59
Sept	1062-64	+0.5	1067-59
Nov	1060-62	+1.5	1064-59
Jan	1061-63	+5.0	1065-62
March	1052-60	+4.5	—

Sales: 2,043 (1,180) lots of 5 tonnes.
ICO Indicator prices for March 30: (U.S. cents per pound): Other Mild Arabicas 129.83 (128.75); Robustas ICA 1976 115.50 (115.25); ICA 1968 115.75 (115.50). Unwashed Arabicas 218.50 (218.00). Comp. daily ICA 1968 unquoted.

GRAINS

The market opened unchanged to 5p lower on new crop barley. Old crops traded 25p higher on wheat and 15p higher on barley. Values eased in the afternoon session to close 20p down on barley and unchanged to 5p higher on wheat. New crops saw a reasonable trade in barley, mainly in September which closed 15p up, but 10p down on Nov. Wheat saw less volume but held about steady to close 5-15p higher on the day, Acli reports.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterday close	+ or —
May	113.80	+0.05	99.55	—0.20
July	116.90	......	—	......
Sep	100.10	+0.10	93.35	—1.85
Nov	103.65	+0.15	98.90	—0.10
Jan	107.35	+0.05	102.35	+0.05

Business done—Wheat: May 114.00-113.80, July 117.20-116.90, Sept. 100.40-100.15, Nov. 103.90-103.60, Jan. 107.65-107.35. Sales: 213 lots of 100 tonnes. Barley: May 99.90-99.50, Sept. 95.50-95.30, Nov. 99.15-98.95, Jan. 102.40-102.35. Sales: 107 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Hard Winter 13½ per cent, March 102.25, April 103.15, May 103 transhipment East Coast. Maize: French April 124 transhipment East Coast. S. African Yellow March/April 87.00. Rest unquoted.

HGCA — Locational ex-farm spot prices. Other milling wheat: S. East 112.00. Feed barley: S. East 97.20, S. West 100.30, W. Mids. 97.90, N. West 99.60. The UK Monetary Co-efficient for the week beginning Monday, April 6 (based on HGCA calculations, using 5 days exchange rates) is expected to change to 0.871, subject to confirmation by the Council of Ministers.

RUBBER

The London physical market opened easier, with little interest throughout the day, closing uncertain. Lewis and Peat reported an fob April price for No. 1 RSS in Kuala Lumpur of 270.5 (276.75) cents a kg and SMR 20 at 247.5 (251.5).

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
May	55.20-55.50	56.10-57.00	55.20
Apr-Jne	58.00-58.30	57.25-57.50	—
Jly-Sept	58.50-58.60	59.60-59.70	59.00-58.30
Oct-Dec	61.50-61.60	62.70-62.80	62.70-61.50
Jan-Mar	64.40-64.50	65.50-65.70	64.80-64.50
Apl-Jne	67.20-67.40	68.30-68.50	—
Jly-Sept	70.00-70.20	71.20-71.30	70.70-70.20
Oct-Dec	73.10-73.20	74.10-74.20	73.20-73.10
Jan-Mar	75.90-76.10	77.00-77.10	—

Sales: 493 (272) at 15 tonnes, 5 (nil) at 5 tonnes. Physical closing prices (buyer) were: Spot 54.00p (55.00p); May 57.25p (58.00p); June 58.00p (58.75p).

SOYABEAN MEAL

The London market opened £1 to £1.50 higher on mixed buying, reports T. G. Roddick. Prices held steady with trade buying closing at opening levels.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
April	124.00-24.8	+0.85	124.70
June	125.50-25.7	+1.40	126.00-25.40
August	127.70-28.0	+1.40	127.80-27.40
October	130.10-30.2	+1.20	130.50-30.00
December	131.50-32.4	+0.95	132.00
February	132.60-34.5	+1.25	—
April	135.00-37.8	+1.00	—

Sales: 58 (61) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw Sugar £226.00 (£234.00) a tonne for cif March-April-May shipments. White sugar daily price was £260.00 (£265.00).

The market opened some £2 below overnight levels and thereafter quotations were confined within a £2 range, closing around the lows of the day, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
May	225.00-25.25	255.10-55.25	256.50-25.25
Aug.	221.00-21.25	250.60-50.75	251.00-20.25
Oct.	219.00-19.50	227.00-27.25	227.00-19.50
Jan.	209.50-10.00	218.50-17.00	210.50-10.50
March	210.25-10.50	215.75-16.50	215.00-09.50
May	210.40-10.50	216.00-16.50	212.00-10.00
Aug	210.80-11.00	216.00-18.00	—

Sales: 10,554 (5,818) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £302.50 (£313.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for March 30: Daily price 21.03 (22.30); 15-day average 21.77 (same).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 119 tonnes, bringing the total for the week so far to 287 tonnes. A fair turnover developed from useful demand, but actual transactions were less active than on some recent trading days. Russian and Turkish growths remained in steady request, as did African qualities.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business). Australian cents per kilo. May 480.0, 484.0, 484.0-482.1; July 484.0, 485.0, 480.0-483.5; Oct. 479.8, 480.0, 480.5-479.5; Dec. 485.0, 485.0, 485.0-483.0; March 491.0, 494.0, 494.0-492.0; May 495.0, 497.0, 498.0-496.0; July 503.0, 503.0, 503.0-501.1. Sales: 165.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business), New Zealand cents per kilo. May 347, 355, 349; Aug. 357, 358, nil; Oct. 369, 363, 363-361; Dec. 369, 372, 370-369; Jan. 375, 376, 376; March 381, 384, 381; May 381, 385, 384-382; Aug. 384, 388, 387-385. Sales: 43.

POTATOES

LONDON POTATO FUTURES — The market was a little more active, although the April trend was still uncertain, with the new crop showing underlying firmness, reports Coley and Harper. Closing prices: April 52.90, +20, (high 53.40, low 52.80); Nov. 58.30, +80, (high 58.50, low 58.00); Feb. 67.30, +80, (high 67.40, low 66.70). Turnover: 103 (41) lots of 40 tonnes.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 73.0 to 76.7; English hindquarters 86.0 to 90.0, forequarters 53.0 to 58.0; Ulster hindquarters 86.5 to 90.0, forequarters 55.0 to 57.0; Eire hindquarters 85.2 to 87.2, forequarters 5.0 to 57.0. Veal: Dutch hinds and ends 112.0 to 116.0. Lamb: English small 70.0 to 82.0, medium 74.0 to 80.0, heavy 80.0 to 74.0. Imported frozen: NZ pl 58.0, NZ pm 57.0 to 58.0. Pork: English, under 100 lbs 46.5 to 51.0, 100-120 lbs 44.0 to 50.0, 120-160 lbs 43.5 to 47.0.

MEAT COMMISSION—Average Fatstock prices at representative markets on March 31. GB—Cattle 90.06p per kg lw (+0.68). UK—Sheep 174.43p per kg est dcw (−0.76). GB—Pigs 72.72p per kg lw (+1.87).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Jaffa: Shamoutis 50/189 4.85-5.25; Spania: Navel's 48/100 4.20-4.80; Cypriot: V. Lates 80/120 3.20-3.50; Moroccan: Lates 64/113 3.80-4.40. Lemons—Spania: Trays 25/54 2.20-2.40; 15 kg boxes 5.50; Cypriot: 10 kg 4.00-4.40; Californian: 95/140 6.50; Italian: 100/120 4.50; S. African: 80/100 5.80; Jaffa: 5.80. Grapefruit—Cypriot: 20 kg 40/64 3.20-3.60; Jaffa: 20 kg 36 4.45, 40 4.50, 48 4.65, 56 4.40, 64 4.05, 75 3.85. Wilkings—Jaffa: 22 lb 80/90 4.90-5.35. Apples—S. African: Golden Delicious 8.00-8.20, Dunn's Seedling 188/125, 6.50-7.40, Starking 8.00-8.40; Chilean: Granny Smith 7.80-8.00; Canadian: Red Delicious 135/150 7.50-8.50; U.S. Red Delicious 8.50-10.50; Belgian: 28 lb, per lb Cox's 0.10-0.14; French: Stark Crimson 40 lb 5.60-6.50; 20 lb 72 2.80, 84 2.40, Granny Smith 40 lb 5.80-7.20; 20 lb 72 3.50, 84 3.00, Golden Delicious 40 lb 125/175 4.20-5.40; 20 lb 72 2.80, 84 2.40; Italian: 40 lb Romes 60/70 4.40, Granny Smith 19/20 lb 60/70 2.80; Hungarian: Starking 44 lb 6.40; Dutch: 28 lb, per lb 0.09-0.14. Pears—Dutch: Conference per lb 0.14; Italian: Passacrassane 0.10-0.12; S. African: Packhams 6.50-7.00;

English Produce: Potatoes—Per bag 1.60-2.20. Mushrooms—Per lb 0.50-0.60. Apples—Per lb Bramleys 0.06-0.14, Spartans 0.10-0.16, Cox's Orange Pippins 0.14-0.28. Pears—Per lb Conference 0.08-0.15, Comice 0.14-0.18. Cabbages—Per bag 1.40, White cabbages 3.40. Beetroots—Per bag 1.40-1.80. Lettuce—Per 12, round 1.40-2.00. Tomatoes—Per 12 lb English, per lb D 0.55, E 0.50. Cucumbers—Per 12/16 3.00-3.80. Sprouts—Per lb 0.08-0.09. Leeks—Per 10 lb 2.00. Rhubarb—Per lb forced 0.14-0.16, outdoor 0.10-0.12. Carrots—Per 28 lb 2.80-3.20. Onions—Per bag 3.50-4.50. Celery—Per pack naked 18/18 1.50-1.80. Swedes—Per 28 lb Devon 0.75-1.00. Parsnips—Per 28 lb 2.40-2.80. Turnips—Per 28 lb 1.20-1.40. Cauliflowers—Per 28 lb Kent 2.20-2.50.

*

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.80-£4.50, codlings £2.60-£3.50; Large haddock £4.40-£5.70, medium £4.20-£4.80; Medium plaice £3.00-£3.80, best small £2.80-£3.50; Lemon soles (large) £13.50), (medium) £11.50; Saithe £2.30-£2.80.

PRICE CHANGES

	Mar. 31 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1415/1445	......	$1455/465
Copper			
Cash w'bar	£834	+6.75	£792.5
3 mths	£855.25	+6	£816.25
Cash Cathode	£827	+5.75	£790
3 mths	£845	+4.75	£802.5
Gold troy oz	$507.5	—15	$472.5
Lead Cash	£336.5	+8	£318.25
3 mths	£341.75	+6.25	£328.75
Nickel	£3,358.65	......	£3,358.65
Freemkt	280/300c	+2.5	275/290c
Platin'mtr'y oz	£213.5	......	£213.50
Freemkt	£226.10	—4.45	£202.45
Quicksilvert	$415/425	—2.5	$400/410
Silver troy oz	549.05p	—10.15	530.25p
3 mths	565.80p	—10.70	546.55p
Tin Cash	£6,140	—45	£6,050
3 mths	£6,227.5	—17.5	£6,172.5
Tungsten22.04lb	$146.23	......	$145.47
Wolfrm 22.04 lb	$148/152	......	$151/155
Zinc Cash	£360	+9	£330.5
3 mths	£368.75	+7	£341.5
Producers	$825	......	$825
Oils			
Coconut (Phil)	$530w	......	$595
Groundnut	‡		‡
Linseed Crude	£408y	......	£415
Palm Malayan	$580v	+10	$600
Seeds			
Copra Philip	$350y	—10	$405
Soyabean(U.S.)	$318y	+3	$298
Grains			
Barley Futures	‡	......	£101.05
Maize			
French	£124	......	£125
Wheat			
No 1 Red Spg.	‡	......	‡
No2 HardWint	£102.25	+0.25	£107.50
Eng. Millingt	‡	......	‡
Other commodities			
Cocoa ship't	£1,012	......	£1001
Future May	£916.5	......	£915.5
CoffeeF t'May	£1067.5	+7.5	£1029.5
Cotton A.Index	90.70c	—0.2	94.05c
Rubber (kilo)	54p	—1	59.25p
Sugar (Raw)	£226.0xx	—8	£251
Woolt'ps 64s kl.	316p kilo	......	325p kilo

† Unquoted. u May-June. x March-April. w April-May. v May. y April. z Indicator. § Buyer. ‡ Per 45 lb flask. * Nominal.

AMERICAN MARKETS

Monday's closing prices

NEW YORK, March 30.

Precious metals declined sharply on news that the General Strike in Poland called for Tuesday has been averted. Copper was slightly lower with light dealer interest providing support. Sugar was sharply lower on a lack of physical interest and nervousness developing over the Polish situation. Cocoa was under pressure on a general lack of Commission House buying. Coffee continued to attract buying on tightness in nearby supplies. The livestock complex was mixed with weakness to product prompting a sell-off in hogs. The grain and soyabean complex was steady to higher on buying prompted by the reported Polish agreement. Heating oil finished mixed in a narrow trading range in absence of fresh fundamentals, reported Heinold.

††Cocoa—May 1995 (2022), July 2050 (2075), Sept. 2093, Dec. 2140, March 2190, May 2239, July 2289, Sales 1,924.

Coffee—"C" Contract: May 127.80 (126.82), July 126.90-127.25 (126.70), Sept. 127.00, Dec. 124.55-124.75, March 123.75, May 123.65-124.00, July 123.75-124.00. Sales: 1,735.

Copper—April 84.65 (84.96), May 85.70-85.80 (86.00), June 86.70, July 87.70-87.80, Sept. 90.00, Dec. 93.00-93.20, Jan. 93.95, March 95.90, May 97.80, July 99.75, Sept. 101.70, Dec. 104.55, Jan. 105.50. Sales: 7,500.

Cotton—No. 2: May 86.00-86.10, (86.37), July 87.00-87.20 (87.12), Oct. 85.40, Dec. 82.60, March 83.25-83.50, May 83.75-84.25, July 84.50-85.00. Sales: 5,000.

*Gold—April 510.5 (514.5), May 518.3, June 523.5 (525.5), Aug. 536.0 (538.0), Oct. 549.2, Dec. 558. (563.0), Feb. 573.8, April 586.1, June 598.5, Aug. 610.9, Oct. 623.4, Dec. 636.1, Feb. 648.9. Sales: 42,000.

*Platinum—April 498.0 (537.3), May nil (nil), July 516.0-517.5, Oct. 536.0-537.0, Jan. 556.7, April 575.5. Sales: 3,074.

Potatoes (round whites)—April 144.1-144.5 (144.9), Nov. 81.2-81.4 (82.3), Feb. 91.1, March 97.2-97.6, April 110.5. Sales: 831.

¶Silver—April 1212.0-1218.0 (1274.0), May 1242.0 (1292.0), June 1259.0, July 1274.5, Sept. 1307.0, Dec. 1356.0, Jan. 1372.0, March 1404.5, May 1437.0, July 1469.5, Sept. 1502.0, Dec. 1551.0. Handy and Harman Bullion Spot 1220.00 (1301.00). Sales: 3,900.

Sugar—No. 11: May 21.00-21.10 (22.20), July 21.05-21.10 (22.22), Sept. 20.90, Oct. 20.70-20.75, Jan. 19.75-19.90, March 19.85-19.90, May 19.85-19.95, July 19.95-20.50. Sales. 12,165.

Tin—634.00-642.00 (634.00-634.00).

CHICAGO, March 30.

Chicago Imm Gold—April 513.0-513.5 (532.3), June 524.5-523.5 (545.3), July 551.6, Sept. 541.0, Oct. 557.0, Dec. 562.0, Jan. 569.8, March 581.0, April 609.0.

Lard—Chicago loose 19.25 (19.50).

‡‡Maize—May 362-362½ (361¼), July 371¼-371 (369¾), Sept. 374½-374¾, Dec. 378½-379, March 389-389½, May 394½.

Pork Bellies—May 53.40-53.20 (53.12), July 53.90-54.20 (54.65), Aug 53.40-53.50, Feb. 68.02-67.60, March 67.15.

†Soyabeans—May 772-770 (766¼), July 798-793 (790), Aug. 802, Sept. 811, Nov. 826-824½, Jan. 842, March 861½, May 876.

||Soyabean Meal—May 218.9-218.5 (216.8), July 226.0 (224.9), Aug. 228.5-229.0, Sept. 230.5-231.5, Oct. 233.5-234.0, Dec. 237.0-237.5, Jan. 239.5-240.0, March 243.0-245.0.

Soyabean Oil — May 24.95-24.90 (24.57), July 25.70-25.65 (25.29), Aug. 25.95, Sept. 26.15, Oct. 26.49-26.45, Dec. 27.00-27.05, Jan. 27.15, March 27.70-27.80, May 28.20-28.30.

†Wheat—May 428½-428 (423), July 434-434½ (435), Sept. 447½-448, Dec. 468-468½, March 486.

WINNIPEG, March 30. §Barley—March 144.30 (143.70), May 146.40 (148.20), July 147.80, Oct. 146.80, Dec. 145.50.

§Wheat—SCWRS 13.5 per cent, protein content cif St. Lawrence 263.57 (—).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, March 31.

Wheat—U.S. No. Two Dark Hard Winter 13.5 per cent April $212, May $210, June $207, July $206. U.S. No. Two Red Winter April-May $204, June-July $192. U.S. No Two Northern Spring 14 per cent April $207, Aug. $208, Sept. $209, Oct. $213, Nov. $215.

Maize—U.S. No. Three Corn Yellow afloat $167, March $165, April $165, May $167, June $169.50, July-Sept. $174, Oct.-Dec. $175, Jan-March $187.

Soyabeans—U S. Two Yellow Gulfports afloat $313, April $312, May $313, June $317.50, July $319.50, Aug. $323.50, Sept. $327, Oct. $329.50, Nov. $329, Dec. $336, Jan. $341.50, Feb. $346.50, March $349.50. Argentine June-July $311.50 sellers.

Soyameal—44 per cent protein U.S. afloat $273 traded, March $271, April-May $267, June $270.50, April-Sept. $273, Nov.-March $294. Brazil Pollets afloat $283, March $283, April $279, May $279.50, April-June $281.50, April-Sept. $285 sellers.

PARIS, March 31.

Cocoa—(FFr per 100 kilos): May 1,010-1,020, July 1,025, Sept. 1,070-1,071, Dec. 1,095-1,105, March 1,122-1,125, May 1,145-1,155. Sales at call: 3.

Sugar—(FFr per tonne): May 2,845-2,850, July 2,800-2,840, Aug. 2,700-2,708, Oct. 2,531-2,535, Nov. 2,515-2,550, Dec. 2,430-2,450, March 2,375-2,388, May 2,380-2,395. Sales at call: 2.

INDICES

FINANCIAL TIMES

Mar. 30	Mar. 27	Month ago	Year ago
260.09	260.75	257.56	284.47

(Base: July 1, 1952=100).

MOODY'S

Mar. 30	Mar. 27	Month ago	Year ago
1133.1	1146.2	1130.7	1132.3

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 30	Mar. 27	Month ago	Year ago
Spot	417.13	421.99	419.58	407.89
Fut'rs	426.23	429.79	433.93	422.52

(Average 1924-25-26=100)

REUTERS

Mar. 31	Mar. 30	M'nth ago	Year ago
1693.2	1699.9	1754.6	1709.0

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Equity leaders resume rise despite U.S. events and index jumps 9.3 to 528.1—Gilts stage good rally

Account Dealing Dates

Option

*First Dealings	Declara-tions	Last Dealings	Account Day
Mar. 16	Mar. 26	Mar. 27	Apr. 6
Mar. 30	Apr. 8	Apr. 9	Apr. 21
Apr. 10	Apr. 29	Apr. 30	May 11

* "New time" dealings may take place from 9 am two business days earlier.

Early apprehension caused by the attempted assassination of President Reagan failed to deter the investment of institutional funds in London stock markets yesterday. Leading shares resumed the recent upturn and staged a fairly widespread advance, while Gilt-edged securities recovered most of Monday's lost ground.

The gloomy CBI survey of industrial trends, a factor behind Monday's modest reaction in London equities, was quickly forgotten. Investment confidence was no doubt helped by the less tense political situation in Poland and equity values soon responded to renewed buying. Trading conditions were not particularly active but, once again, demand often found the market short of stock.

Up only 0.8 at the 10.00 am calculation, the FT 30-share made steady progress thereafter to close 9.3 higher at 528.1. Of the index constituents, Plessey and GEC recorded above-average gains stimulated by hopes that the Government will allow British Telecom to raise more than £300m needed to modernise and expand its telephone network.

Many secondary issues enjoyed a fair measure of support and most sectors recorded numerous rises. Bid speculation was again very much in evidence, while the day's business was notable for substantial "bed and breakfast" deals before the financial year ends.

British Funds were by no means left out of the revival. Interest again centred mainly on the medium and longs where occasional buying in thin trading conditions resulted in a fairly swift rally. Quotations recorded gains extending to ¾ before easing back marginally and reviving after-hours to near the day's best. The short end of the market was restrained by the presence of the new tap, Treasury 11½ per cent 1985, tenders for which in £15-paid form must be lodged by this morning. Nevertheless, stocks in this area managed small rises and were improving further late in the day.

Demand for Traded options picked up sharply and 2,456 deals were arranged, the highest total since last November. P and O remained to the fore with 472 contracts, 293 of which were dealt in the August 160's. Grand Metropolitan attracted 409, while Commercial Union and ICI recorded 224 and 329 trades respectively.

Grindlays better

A resurgence of speculative buying generated by revived hopes of a bid from Lloyds Bank took Grindlays up 6 to 190p, after 194p; Lloyds added 8 at 330p. Royal Bank of Scotland, strong recently on talk of a possible counter bid from Hong Kong and Shanghai, reacted 4 to 138p, while current bidders, Standard Chartered, gave up 5 at 650p.

Firmer conditions returned to Composite Insurances after the recent weakness on Eagle Star's disappointing results. General Accident stood out with a rise of 10 to 342p, while Commercial Union were active and 6 dearer at 167p. Awaiting today's preliminary statements, GRE added 4 at 340p and Sun Alliance 2 at 774p.

Demand for Breweries and kindred issues remained at a low ebb, but selective support was noted for Wines and Spirits, Distillers, 194p, and Tomatin, 103p, adding 3 apiece. The possible disposal of Hawker Siddeley's stake in the company prompted an active trade in Invergordon, which jumped to 200p before closing a net 12 higher at 198p.

Renewed support, some of which was institutional account, enabled Buildings to make fresh progress, although some gains were accentuated by stock shortage. In anticipation of cement price increases, Blue Circle firmed 6 to 420p and Ready Mixed Concrete gained 5 to 201p. Rugby Portland Cement revived 3 to 85p following clearance of a large line of stock. Among Contracting and Construction issues, Taylor Woodrow advanced 12 to 570p, the annual results are due later this month. Costain improved 6 to 236p and Wimpey a couple of pence to 119p. Elsewhere, Rohan put on 10 to 165p in response to good annual results and the proposed £2.72m rights issue, while demand ahead of tomorrow's preliminary results lifted Breedon and Cloud Hill Lime Works 6 to 106p. Derek Crouch, 227p, and Marchwiel, 116p, both rose 9, the latter awaiting details of the annual meeting. Timbers featured International, which improved 5 to 91p.

ICI rose 6 to 244p and, among other Chemicals, British Benzol touched 24p before reverting to the overnight level of 21p following news of the disposal of two loss-making subsidiaries, Randolph Coke and Chemical and Stirk, to Coalite for a nominal £2.

Raybeck good

Leading Stores attracted steady support and GUS "A" closed 5 better at 478p, while Burton added 3 more at 135p. Raybeck, neglected of late, met with speculative demand and improved 7 to 66p. Mail-orders, however, trended easier. Freemans, at 130p, lost half of Monday's gain of 8 which followed the annual results. Empire and Grattan, both due to announce full-year results next month, gave up 2 apiece at 138p and 76p respectively. Speculation raised by Mr. Asil Nadir's interests attracted renewed support of Polly Peck, which spurted 23 to 218p, after 223p, Cornell Dresses, 18 higher at 100p, and Wearwell, a couple of pence dearer at 87p. Bid hopes lifted J. Hepworth 6 to 122p.

Renewed investment buying in a market none too well supplied with stock helped the Electrical majors close the day with double-figure gains. Demand was stimulated by reports that British Telecom is set to raise £300m plus to modernise and expand the telephone network. Plessey were quick to respond with a rise of 13 to 329p, Standard Telephone and Cables jumped 20 to 510p and GEC finished 14 better at 677p. Thorn EMI rose 6 to 322p. Against the trend, Philips' Lamp shed 18 to 345p.

Engineering leaders contributed to the firm trend. Hawker rose 10 to 312p and Vickers 5 to 169p, while GKN, 144p, and Tube Investments, 208p, put on 4 apiece. Elsewhere, APV appreciated 8 more to 248p following comment on the results and Lake and Elliott gained 3 to 42p reflecting the first-half profits recovery. The Board's revelation that it is actively considering alternative proposals in the wake of abortive bid discussions helped G. M. Firth (Metals) rally 3 to 60p, after 61p. Buying in front of today's preliminary results left Babcock International 4 higher at 114p, while Baker Perkins advanced 6 to 86p and British Aluminium 8 to 120p. W. G. Allen rose 4 to 54p and similar improvements were seen in J. and H. B. Jackson, 65p, Midland Industries, 66p, and United Engineering, 168p.

Selected Foods responded to renewed buying interest. Demand in a market none too well supplied with stock prompted a gain of 7 to 181p in Northern, while Cadbury Schweppes firmed 2½ to 88½p. Outside of the leaders, Amos Hinton rose 7 to 181p owing to speculative buying in a thin market, but Bluebird Confectionery met with further selling in the wake of the disappointing results and shed 6 for a two-day fall of 9 to 54p.

ICL up again

Buyers returned for the miscellaneous industrial leaders. Glaxo closed 6 higher at 306p and Bowater 5 better at 241p, while Beecham put on 4 to 178p. Turner and Newall, on the annual report, firmed 3 to 85p and Reckitt and Colman edged forward 2 to 210p awaiting today's annual results. Elsewhere, ICL advanced 3 afresh for a two-day jump of 10 at 46p, with speculators still responding to a weekend Press suggestion of a £100m U.S. rescue bid. Ofrex rose 6 to 78p, the maintained final dividend outweighed news of the halved annual profits, while Low and Bonar gained 9 more to 209p on further consideration of the results. Wedgwood added 3 to 82p and British Syphon 2 to 51p in response to Press comment. Bridon edged forward 2 to 56p ahead of tomorrow's preliminary results. Rexmore found support at 24p, up 5, while improvements of around 9 were seen in Bruntons Musselburgh, 90p, Thomas French, 125p, and Powell Duffryn, 235p. Aeronautical and General revived with a rise of 20 at 400p and Bestobell added 8 afresh to 428p. Supported up to 220p ahead of the annual figures, Cape Industries reacted on news of the 46 per cent contraction in profits to finish a net 9 down at 205p.

Demand ahead of tomorrow's preliminary results raised Black and Edgington 3 to 51p, while a lively option business helped Intervision improve 2 to 53p. Hawley Leisure encountered support at 62½p, up 3, and Trident TV A firmed 1½ to 46p in front of the interim figures.

Motor Components continued to forge higher. Jonas Woodhead, a long-time takeover favourite, attracted renewed support and spurted 9 to 43p, while Solex (UK) added 3 at 58p. Lucas advanced 8 more to 191p on institutional demand. Distributors were also firm. Appleyard gained 3 to 56p following the preliminary statement, while Tate of Leeds, annual results due on Friday, firmed a like amount to 83p.

Bunzl Pulp and Paper improved 3 to 139p, the lower annual profits being outweighed as a trading influence by the increased dividend.

Properties took a firmer line, Land Securities improving 3 to 427p and MEPC rising 4 to 248p. The increased profits and dividend prompted a gain of 4 to 94p in Law Land, while Peachey hardened a couple of pence to 157p following the interim statement. Regional A gained 8 to 170p on revived speculative interest and Phoenix Mining and Finance hardened 2 to 64p after news of the acquisition of a 50 per cent share stake in Kane Investments, a private property development company.

Secondary Oils presented a firm feature in Charterhall, which gained 7 to 77p following the sharply increased interim profits. Irish Oils, however, lacked support and Gaelic, 185p, and Eglington, 165p, both shed 10. Gulfstream Resources Canada held at 360p; the price in yesterday's issue was incorrect. Leading Oils were a few pence easier at first, but rallied to close little changed.

Among Textiles, Sunbeam Wolsey rose 3 to 22p following better-than-expected full-year results. Demand in a narrow market lifted Small and Tidmas 10 to 65p, while Sirdar closed 4 to the good at 176p.

Golds down again

The aftermath of the assassination attempt on President Reagan and the suspension of the threatened strike in Poland prompted a sharp fall in the bullion price and left South African Golds showing substantial losses for the second successive day.

An initial mark-down of share prices was followed by a minor rally. This proved only temporary, however, and the share market resumed its downward path in late trading with closing quotations easily the day's lowest levels.

The Gold Mines index dropped a further 11.7 to 341.0—a two-day fall of 29.1—while the bullion price closed $15 cheaper at $507.50 an oz.

The medium- and lower-priced issues were additionally affected by the proposed rights issues from Elandsrand and South African Land; the latter dropped 16 more to 286p and the former 17 to 290p.

Financials were generally easier although the London stocks were underpinned by a good performance by UK equities. In the latter RTZ ended 5 off at 465p while falls of 2 were common to Charter, 243p and Tanks 343p. The Irish-based Silvermines edged up 3 to a 1981 high of 131p.

Australians sustained widespread losses with Golds particularly affected. GMK gave up 20 to 400p, Poseidon 6 to 252p and North Kalgurli 2 to 65p.

On the other hand rumours that a second party has built up a substantial stake in Northern Mining lifted the latter 5 to a 1981 high of 150p; Endeavour Resources, 40 per cent-owned by Bond Corporation, recently acquired a 19.76 per cent stake in Northern Mining.

FINANCIAL TIMES STOCK INDICES

	Mar. 31	Mar. 30	Mar. 27	Mar. 26	Mar. 25	Mar. 24	A year ago
Government Secs.	69.84	69.62	70.16	70.18	69.81	70.08	64.58
Fixed Interest	71.41	71.36	71.94	72.00	71.88	71.94	65.02
Industrial Ord.	528.1	518.8	521.3	518.9	507.4	511.7	427.0
Gold Mines	341.0	352.7	370.1	361.1	364.7	365.2	273.4
Ord. Div. Yield	6.21	6.33	6.29	6.31	6.43	6.38	8.07
Earnings, Yld. % (full)	12.40	12.63	12.56	13.35	13.61	13.49	20.01
P/E Ratio (net) (*)	10.12	9.94	10.00	9.27	9.10	9.17	6.12
Total Bargains	32,065	30,052	29,621	29,260	28,884	28,324	25,475
Equity turnover £m.	—	140.82	204.75	206.76	165.24	167.85	98.11
Equity bargains total	—	26,118	27,759	28,478	25,533	27,902	20,428

10 am 519.6. 11 am 523.7. Noon 524.3. 1 pm 525.2.
2 pm 525.2. 3 pm 525.4.
Latest Index 01-246 8026.
*Nil=9.40.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	68.05 (16/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	69.98 (16/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	528.1 (31/3)	446.0 (14/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (23/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 30	Mar. 27
—Daily		
Gilt Edged Bargains	185.0	174.2
Equities Bargains	169.2	179.9
Value	284.0	413.8
5-day Avrge.		
Gilt Edged Bargains	180.5	185.2
Equities Bargains	176.0	170.8
Value	358.3	367.0

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (263)

BRITISH FUNDS (1)
INTERNATIONAL BANK (1)
COMMONWLTH. & AFRICAN LOANS (1)
CANADIANS (2)
BANKS (4)
BEERS (2)
BUILDINGS (28)
CHEMICALS (5)
DRAPERY & STORES (16)
ELECTRICALS (11)
ENGINEERING (27)
FOODS (12)
HOTELS (3)
INDUSTRIALS (36)
INSURANCE (5)
LEISURE (5)
MOTORS (8)
NEWSPAPERS (4)
PAPER (1)
PROPERTY (31)
SHIPPING (1)
SHOES (1)
SOUTH AFRICANS (1)
TEXTILES (6)
TOBACCOS (1)
TRUSTS (44)
OIL & GAS (2)
RUBBERS (1)
MINES (3)

NEW LOWS (19)

BANKS (2)
Hongkong & Shanghai Wells Fargo
CHEMICALS (1)
Dixor Strand
ENGINEERING (2)
Boulton (Wm.) Williams & James
INDUSTRIALS (4)
Amber Inds. Burndene
Brown Boveri Kent Com Hldgs.
MOTORS (3)
Hesketh Motor Hanger Invs.
Lotus Car
NEWSPAPERS (2)
Intl. Thompson Intl. Thompson Conv.
TEXTILES (2)
Carpets Intl. Stewart Nairn
OILS (3)
Royal Dutch Carless Capel
New Court Nat.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	80	—	16
Corpns. Dom and Foreign Bonds	10	3	52
Industrials	387	150	832
Financial and Props	172	49	273
Oils	23	25	29
Plantations	5	4	14
Mines	9	87	69
Others	26	68	43
Totals	712	386	1,327

MONTHLY AVERAGES OF STOCK INDICES

—	March	February	January	December
Financial Times				
Government Securities	69.54	69.23	68.70	69.06
Fixed Interest	71.39	70.85	70.46	70.84
Industrial Ordinary	497.4	487.0	459.6	470.1
Gold Mines	336.2	322.7	354.7	464.8
Total Bargains	25,627	22,827	19,480	17,739
F.T.—Actuaries				
Industrial Group	269.41	261.60	247.57	252.28
500 Share	314.59	309.19	297.83	307.59
Financial Group	248.73	243.53	232.64	234.44
All-Share (750)	301.24	295.20	284.73	292.72

	High	Low
Industrial Ordinary	528.1 (31st)	470.0 (11th)
All-Share	309.73 (31st)	289.45 (11th)

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
British Aerospace	195	—	Invergordon	198	+12
Cape Inds.	205	−9	Jitra	78	+3
Charterhall	77	+7	Lucas	191	+8
Commercial Union	167	+6	Plessey	329	+13
East Drie	£12	−½	Polly Peck	218	+23
GEC	677	+14	Raybeck	66	+7

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Mon.'s closing price pence	Day's change	Stock	No. of price changes	Mon.'s closing price pence	Day's change
Shell	16	374xd	−9	Royal Ins.	11	375	—
ICL	14	43	+7	Savoy A	11	200	+18
P. and O. Dfd.	14	148	+5	Bowater	10	236	−3
Sound Diffusn	13	124	+8	LASMO	10	585xd	+5
Ocean Trans.	12	146	—	RTZ	10	470	−5
De Beers Dfd.	11	366xd	−10	BP	9	376	−4
GEC	11	663	−2	KCA	9	198	−2

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 23	Apr. 3	June 25	July 6
Apr. 6	Apr. 17	July 9	July 20
Apr. 21	May 1	July 23	Aug. 3

For rate indications see end of Share Information Service

Money was given for the call of Amalgamated Distilled Products, Intervision, ICL, Royal Bank of Scotland, Tanks, Carpets International, Sellincourt, Charterhall, Cons. Gold Fields, GKN, Berec, De Beers deferred, Thorn EMI, Burmah, Tricentrol, Stone-Platt, Bowater, Woodside, P and O deferred, and Arthur Guinness. Puts were done in Intervision, ICI and J. Sainsbury, while doubles were taken out in Intervision and P and O deferred.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p:	+ or −	Div. or Amount	Times Covered	Gross Yield	P.E. Ratio
150	F.P.	3/4	195	170	British Aerospace 50p	195	.....	b7.8	2.0	5.7	12.5
10	F.P.	27/3	18¼	13¾	✣Crest Int Scs. 10p	18¼	.....	—	—	—	—
100	F.P.	1/5	120	105	Cystic Fibr Inv Tst £1	115	.....	—	—	—	—
‡‡	F.P.	—	175	112	†† Eglinton Oil & Gas	165	−10	—	—	—	—
75§	F.P.	30/4	105	88	Espley-Tyas Prop	94	.....	b3.92	1.2	6.0	19.6
18*	F.P.	—	22	20½	Munton Bros. 10p	20½	.....	—	—	—	11.6
100	F.P.	13/3	102	92	New Darien Oil Trust	92	−1	—	—	—	—
—	F.P.	—	57	44	Do. Warrants	53	.....	—	—	—	—
42	F.P.	13/5	45	38	Oil & Gas Production	38	.....	—	—	—	—
4.2	P.P.	13/5	9	7½	Do. (£0.01 pd.)	9	.....	—	—	—	—
100	F.P.	21/4	101	98	T. R. Energy	99	+1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price £	+ or −
77	F.P.	1/5	74	70	Cystic Fibrosis Res'ch In. Tst. 5% Deb. '86	70	.....
97¼	£10	10/7	11	10¼	Leeds (City of) 13½% Red. 2006	10½	+⅛
96	F.P.	24/7	112	102	Mid-Sussex Water 8% Pref. 1986	102½	.....
‡	F.P.	20/3	170p	147p	Sterling Credit 8% Cnv. Red. Cum. Prf.	165p	−3
¶	F.P.	26/6	102½	102½	Sutton District Water 8% Pref.	102½	.....
¶	£10	4/6	11	11	West Hampshire Water 8% Red. Prf. '86	11	.....

"RIGHTS" OFFERS

Issue Price p:	Am'unt paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1981 High	1981 Low	Stock	Closing price p:	+ or −
154	F.P.	9/3	22/5	208	171	Assoc. Dairies	208	+2
2	Nil	8/4	29/5	3½pm	2pm	Barker & Dobson A	2pm	.....
$A9	Nil	—	—	260pm	176pm	Broken Hill Prop.	255pm	.....
48	Nil	—	—	12½pm	8pm	I.M.I.	12½pm	+½
45p	F.P.	9/3	3/4	50	46	Paradise B.	48	.....
A1¼	Nil	—	—	47pm	33pm	Woodside	42pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✣ Unlisted Securities Market. ‡‡ London Listing. ☆ Resulting from debt settlement scheme. ¶¶ Units comprising 125 A Ord. & 6 12½% Cum. Pref.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues., March 31, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon. March 30 Index No.	Fri. March 27 Index No.	Thur. March 26 Index No.	Wed. March 25 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	338.13	+1.3	11.45	4.75	10.77	333.77	334.32	333.52	329.93	232.44
2	Building Materials (25)	303.95	+0.7	14.81	5.71	8.10	301.77	304.78	303.36	299.30	226.69
3	Contracting, Construction (28)	570.79	+1.3	16.45	4.72	7.23	563.70	564.31	559.34	552.61	350.19
4	Electricals (27)	1076.09	+1.9	8.15	2.50	15.21	1055.59	1055.86	1056.47	1051.32	607.16
5	Engineering Contractors (11)	431.52	—	13.16	6.00	9.58	431.63	430.95	428.47	425.06	270.28
6	Mechanical Engineering (71)	205.18	+1.3	13.40	6.11	9.45	202.57	202.09	201.48	197.89	157.42
8	Metals and Metal Forming (13)	154.46	+0.7	11.00	8.59	12.00	153.37	155.96	155.79	154.44	158.78
9	Motors (21)	96.97	+2.1	10.75	8.62	12.19	94.97	95.13	93.58	92.59	103.68
10	Other Industrial Materials (18)	352.85	+0.3	11.87	5.79	10.06	351.74	350.42	350.43	344.56	0.00
21	CONSUMER GROUP (196)	264.67	+1.0	14.14	5.94	8.59	261.97	263.37	262.96	259.00	206.36
22	Brewers and Distillers (20)	289.09	+1.0	16.02	6.33	7.41	286.31	288.82	286.96	278.48	261.39
25	Food Manufacturing (22)	247.02	+1.0	16.21	6.40	7.32	244.69	245.11	245.50	243.50	187.36
26	Food Retailing (14)	515.29	+0.7	8.76	3.13	13.48	511.81	511.42	513.68	505.68	295.63
27	Health and Household Products (7)	280.79	+1.8	9.55	5.10	12.45	275.84	276.94	277.07	272.96	200.21
29	Leisure (22)	398.31	+1.0	13.32	5.61	9.34	394.21	397.28	397.20	395.73	289.28
32	Newspapers, Publishing (12)	484.70	+0.8	17.77	6.61	7.34	480.89	488.83	482.95	477.15	399.88
33	Packaging and Paper (14)	137.57	+1.2	22.12	8.38	5.26	135.99	138.44	138.06	133.44	125.44
34	Stores (44)	266.35	+1.0	11.11	4.75	11.80	263.83	265.67	265.91	262.39	211.91
35	Textiles (21)	148.32	+0.7	14.82	9.00	9.12	147.25	146.36	146.41	144.04	120.80
36	Tobaccos (3)	218.59	+1.2	26.00	10.65	4.39	215.94	216.52	212.56	211.41	202.63
39	Other Consumer (17)	271.94	+0.8	9.49	7.08	13.29	269.71	268.20	269.03	264.33	0.00
41	OTHER GROUPS (78)	220.48	+1.1	14.15	6.86	8.71	218.08	217.29	216.96	214.43	197.26
42	Chemicals (15)	258.52	+1.8	12.52	8.08	10.13	253.96	252.13	251.61	249.01	296.38
44	Office Equipment (6)	117.19	+1.6	15.88	7.09	7.47	115.39	115.34	112.89	110.50	109.56
45	Shipping and Transport (13)	612.42	+0.4	13.89	6.04	8.61	610.04	607.30	605.60	600.50	452.89
46	Miscellaneous (44)	286.41	+0.5	15.52	5.84	7.92	284.88	284.77	286.14	282.75	229.31
49	INDUSTRIAL GROUP (488)	283.55	+1.1	13.11	5.60	9.33	280.34	281.13	280.60	276.96	220.07
51	Oils (12)	796.36	+0.1	23.28	7.09	4.94	795.79	816.07	816.79	805.18	730.53
59	500 SHARE INDEX	324.46	+0.9	15.04	5.88	7.99	321.44	323.74	323.30	319.02	260.43
61	FINANCIAL GROUP (118)	253.84	+0.9	—	5.47	—	251.60	254.30	253.45	251.71	190.09
62	Banks (6)	234.54	+1.2	34.85	7.69	3.46	231.74	236.52	236.02	233.82	208.73
63	Discount Houses (10)	305.34	+0.1	—	6.06	—	305.13	304.79	307.24	307.62	212.00
64	Hire Purchase (4)	272.00	−0.1	8.27	4.56	16.72	272.29	271.72	272.26	274.53	192.39
65	Insurance (Life) (10)	264.21	+0.2	—	5.30	—	263.77	265.24	266.27	265.91	168.07
66	Insurance (Composite) (9)	163.80	+1.6	—	7.34	—	161.14	163.97	165.15	164.08	123.94
67	Insurance Brokers (8)	352.99	+0.7	12.84	6.51	10.49	350.42	352.34	345.66	342.74	291.40
68	Merchant Banks (13)	158.02	+0.1	—	4.96	—	157.88	157.51	156.97	155.02	98.37
69	Property (48)	508.98	+1.0	2.98	2.46	46.29	504.13	508.26	501.16	496.00	359.01
70	Miscellaneous (10)	172.44	−0.4	18.29	6.00	6.71	173.07	172.66	172.60	173.46	127.51
71	Investment Trusts (109)	298.01	+0.3	—	5.16	—	297.10	297.49	296.78	294.29	205.79
81	Mining Finance (3)	235.23	−0.6	14.38	5.70	8.25	236.72	239.30	237.46	234.10	185.54
91	Overseas Traders (20)	445.94	+0.1	11.93	6.63	10.32	445.34	450.07	450.37	446.98	396.17
99	ALL-SHARE INDEX (750)	309.73	+0.8	—	5.78	—	307.17	309.51	308.93	305.33	243.70

FIXED INTEREST PRICE INDICES

	British Government	Tues. March 31	Day's change %	Mon. March 30	xd adj. today	xd adj. 1981 to date
1	5 years	109.00	+0.16	108.83	—	2.48
2	5-15 years	112.14	+0.42	111.67	—	2.97
3	Over 15 years	117.26	+0.40	116.79	—	2.77
4	Irredeemables	129.00	+0.17	128.78	—	1.78
5	All stocks	112.56	+0.33	112.19	—	2.69
6	Debentures & Loans	87.76	−0.10	87.85	—	3.47
7	Preference	67.96	−0.02	67.98	—	2.88

FIXED INTEREST YIELDS

	British Govt. Av. Gross Red.		Tues. March 31	Mon. March 30	Year ago (approx.)
1	Low Coupons	5 years	11.46	11.51	13.87
2		15 years	12.01	12.06	12.85
3		25 years	12.08	12.13	12.85
4	Medium Coupons	5 years	13.12	13.20	14.95
5		15 years	13.50	13.57	14.45
6		25 years	13.18	13.24	14.25
7	High Coupons	5 years	13.11	13.18	14.99
8		15 years	13.70	13.76	14.77
9		25 years	13.31	13.34	14.65
10	Irredeemables †		11.51	11.53	12.33
11	Debs & Loans	5 years	14.11	14.13	15.48
12		15 years	14.35	14.34	15.27
13		25 years	14.35	14.34	15.05
14	Preference †		14.37	14.36	15.78

† Flat yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 96.8 96.9 ..... 13.93
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Gruneburgweg 113, 6000 Frankfurt
Investa DM30.90 32.50 +0.10 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. March 24 $4.46 4.68 ..... —

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra DM16.10 17.20 ..... —
Int. Rentenfonds DM59.50 61.30 ..... —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV Mar. 24 US$31.36 33.35 ....

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933
E.D.I.C.T. 158.5 170.3 ..... 2.20

The English Association
4 Fore Street, EC2. 01-588 7081
E. A. Income Fund* £62.90 67.00 ..... 7.46
E. A. Sterling* £67.56 67.60xd ..... —
E. A. Equity* £68.12 72.47 ..... 1.72
Wardgate Cm. Fd** £17.39 18.09xd 2.87
*Next dealing April 1. **Next dealing March 31.

Eurobond Holdings N.V.
Pietermaai 15, Willemstad, Curacao.
London Agents: Intel 15 Christopher St., EC2.
Tel: 01-247 7243. Telex 8814408.
Euro Hldgs. US$19.77 20.36 ..... 9.20

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury Hse., London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281
Europe-Obligations US$43.70 +0.10 1.88

F & C Mgmt. Ltd. Inv. Advisers
1, Laurence Pountney Hill, EC4. 01-623 4680
Centenary Fd. US$12.01 ..... 1.37
F. & C. Oriental Fd. US$23.56 ..... —
Prices March 25. Weekly dealings.

Fidelity International Ltd.
P.O. Box 670, Hamilton, Bermuda.
8, Queensway Hse., Queen St., St. Helier, Jersey, C.I. 0534 71696
American Assets US$40.49 ..... 1.18
Am. Vals. Com Pf. $3* $100.75 ..... —
American Vals. Com.* $8.92 ..... —
Dollar Savings Trust. US$77.68 +0.10 14.56
Far East US$33.16 −0.01 —
International US$46.19 ..... —
Pacific US$112.16 ..... —
World US$25.84 −0.03 —
Gilt Fund 24.0 24.2 +0.1 12.91
*Prices at March 3.

First Viking Commodity Trusts
10-12 St. George's St., Douglas, IoM. 0624 25015
Fst. Vik. Cm. Tst. 26.3 27.7 ..... 5.90

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg
Fleming March 31 US$73.91 +1.01 —

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfurt
FT-Interzins DM37.38 40.85 −0.11 —
Frankft. Effekt. Fd. DM51.82 53.72 −0.01 —

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Feb. 27 US$145.95 ..... —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2
Tel: 01-628 8131. TLX: 886100
London Agents for:
Anchor 'B' Units US$1.84 1.90 ..... 1.14
Anchor Gilt Edge £9.41 9.47 −0.03 13.41
Anchor Int. Fd. US$8.98 9.22 ..... 1.14
Anchor In. Jsy. Tst. 43.8 46.7 ..... 2.57
Berry Pac Fd. US$64.80xd 0.77
Berry Pac Strlg £3.52 3.68xd 1.13
G.T. Asia Fd. HK$21.25 ..... 1.18
G.T. Asia Sterling £27.34 28.46 ..... 1.46
G.T. Australia Fd. A$38.44 ..... 0.75
G.T. Bond Fund US$12.30 +0.11 10.97
G.T. Dollar Fd. US$13.61 ..... 1.09
G.T. Dlr. (Strlg) Fd. 14.67 15.28 ..... 1.02
G.T. Invest. Fd. US$18.17 −0.09 0.55
G.T. Japan Small Cos. US$16.82 ..... —
Marianne (STG) Fd. £10.61 11.20 ..... 3.25
G.T. Technology Fd. US$24.98 +0.95 —
G.T. Pacific Fd. US$16.32 +0.10 2.14
G.T. Asean Growth Fd. US$11.27 12.06 ..... 0.44

Gartmore Invest. Ltd. Ldn. Agts.
2, St. Mary Axe, London, EC3. 01-283 3531
Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534 73741
Gilt Fund (Jersey) 90.0 95.0 ..... 12.90
Gartmore Fund Managers (Far East) Ltd. (a)(h)
1503 Hutchison Hse., 10 Harcourt Rd., H. Kong
Australian Tst. US$11.890 12.754 +0.257 —
HK & Pac. U. Tst. HK$7.852 8.369 +0.181 2.60
Japan Fd. US$25.134 27.183 ..... 0.60
N. American Tst. US$23.552 25.260 ..... 1.00
Intl. Bond Fund US$11.400 12.010 ..... 13.30

Gartmore Fund Managers (IOM) (a)
P.O. Box 32 Douglas, Isle of Man Tel. 0624 23911

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381
HS Channel Is. Fd. 146.8 156.6 ..... 3.25
H.S. Fixed Int. Fd. 94.0 99.0 ..... 12.50
Box 2622, Berne, Switzerland. Telex 33425.
H.S. Overseas Fd. US$25.16 26.17 −0.12 —
CSF Fd. (Acc.) SF18.52 18.91 −0.06 —
Crossbow Fd. SF6.75 6.87 −0.03 —

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† US$2.71 2.88 ..... 0.59
OCSm. Co.*** 119.4 127.0xd +8.8 2.60
O.C. Commodity* 90.3 96.0xd 7.50
O.C. Dir. Comdty.† US$45.72 48.63 ..... 1.52
O.C. Hong Kg. Fd.† HK$37.77 40.18xd ..... —
O.C. Sterling Fd.** £13.426 +0.05 —

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCE PROPERTY BONDS

NPI Pensions Management Ltd.
48 Gracechurch St., EC3P 3HH. 01-623 4200
Managed Fund .... 245.0 255.2 +12.1 —
Prices April 1. Next dealing May 1.

New Zealand Ins. Co. (UK) Ltd.♥
Maitland House, Southend SS1 2JS 0702 62955
Kiwi Key Inv. Plan 256.3 264.2 +4.3 —
UK Equity 101.4 106.8 −0.1 —
American 144.4 152.0 −1.1
Pacific 219.6 231.2 +0.2 —
Property 113.4 119.3 —
Gilt 124.7 131.6 +0.6 —
High Inc. Equity 105.7 111.3 +0.1 —
High Inc. Fxd. Int. 98.6 103.9 +0.3 —
Deposit 118.3 124.5 .... —

Norwich Union Insurance Group♥
PO Box 4, Norwich NR1 3NG. 0603 22200
Managed Fund 287.8 302.9 +1.0 —
Equity Fund 484.2 509.7 +2.0 —
Property Fund 187.3 197.1 .. —
Fixed Int. Fund 181.0 190.5 +0.9 —
Deposit Fund 134.5 141.5 .... —
Nor. Units Mar. 15 261.4 .... —

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876
Wealth Ass. 158.1 166.5 .... —
Eb'r. Ph.Eq.E. 118.8 125.4 .... —

Planned Savings Group
25 Worship St., London, EC2A 2AB. 01-920 0661
1st Managed 87.1 92.4 .... —
1st Fixed Interest 66.3 70.3 .. —
4th Managed 55.3 58.6 .... —
5th Managed 63.5 67.2 ... —
Pension Managed 55.98 59.34 ... —
Family Managed 142.4 145.3 .. —
Do. B Managed 77.6 79.1 .... —
Do. C Britannia 58.6 59.8 .. —
Do. D Fxd. Int. 93.7 95.6 ... —
Family Capital Fund 75.8 77.3 ... —

Premium Life Assurance Co. Ltd.
Eastchester Hse., Haywards Heath, 0444 58721
American Tech. Fd. 102.0 108.0 −1.0 —
Building Soc. Fd. 96.0 102.0 +2.0 —
Balanced 103.0 109.0 .... —
Deposit 101.0 107.0 .... —
Gilt 102.0 108.0 ... —
Natural Resources 100.0 106.0 +1.0 —
Property 101.0 107.0 .... —
UK Equity 108.0 114.0 +1.0 —
International Fund 97.0 103.0 −1.0 —

Prop. Equity & Life Ass. Co.♥
42 Houndsditch, London EC3A 7AY 01-621 1126
R. Silk Prop. Bond 227.8 .... —
Do. Equity Bond 97.5 .... —
Flex Money Bond 169.4 .... —

Property Growth Assur. Co. Ltd.♥
Leon House, Croydon CR9 1LU. 01-680 0606
Property Fund 243.7 .... —
Property Fund (A) 239.2 .... —
Agricultural Fund 921.5 .... —
Agric. Fund (A) 904.6 .... —
Abbey Nat. Fund 193.9 .... —
Abbey Nat. Fd. (A) 193.4 .... —
Investment Fund 98.7 +0.9 —
Investment Fund (A) 97.6 +0.9 —
Equity Fund 289.4 +2.7 —
Equity Fund (A) 286.1 +2.7 —
Money Fund 174.1 .... —
Money Fund (A) 172.0 .... —
Actuarial Fund 149.9 .... —
Gilt-edged Fund 154.1 +0.7 —
Gilt-Edged Fd. (A) 154.1 +0.7 —
ΦRetire Annuity 274.4 .... —
ΦImmed. Ann'ty 176.0 .... —
International Fd. 151.2 +1.0 —

Prop. Growth Pensions & Annuities Ltd.
All Weather Ac. Uts. 173.7 182.9 .. —
♥Inv. Fd. Uts. 212.5 ... —
Pension Fd. Uts. 183.3 ... —
Conv. Pens. Fd. 204.4 .... —
Cnv. Pns. Cap. Ut. 167.6 .... —
Man. Pens. Fd. 225.0 +1.0 —
Man. Pens. Cap. Ut. 190.4 +0.8 —
Prop. Pens. Fd. 206.3 .... —
Prop.Pens.Cap.Uts. 171.3 .... —
Bldg. Soc. Pen. Ut. 182.7 .... —
Bldg. Soc. Cap. Ut. 153.5 .... —
Gilts Pens. Fd. 122.8 .... —
Gilts Pens. Fd. Cap. 117.6 .... —
Equity Pens. Fd. 158.9 +0.6 —
Equity Pens. Fd. Cap. 152.5 +0.5 —

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111
Sel. Mkt. Fd. Std. 154.0 162.5 .... —
Pension Equity 184.5 190.1 .... —
Pension Fxd. Int. 157.8 162.6 .... —
Deposit Fd. Acc. 60.2 63.5 .... —
Ind.Pens.Dep.Fd.Acc. 49.7 52.4 .... —
Equity Fd. Acc. 65.0 68.5 .... —
Ind.Pens.Eq.Fd.Acc. 62.8 65.9 .... —
Fxd. Int. Acc. 60.4 63.7 .... —
Ind.Pens.Fxd.Int.Acc. 53.1 56.0 .... —
Intnl. Acc. 56.0 59.0 .... —
Ind.Pens.Intnl.Acc. 63.3 66.7 .... —
Managed Fd. Acc. 61.0 64.3 .... —
Ind.Pens.Man.Fd.Acc. 59.4 62.6 .... —
Property Fd. Acc. 80.1 84.4 .... —
Ind.Pens.Prop.Fd.Acc. 57.4 60.5 .... —
For prices of Capital Units ring 01-749 9111

Provincial Life Assurance Co. Ltd.
222, Bishopsgate, EC2. 01-247 6533
Prov. Managed Fd. 168.8 177.7 +0.8 —
Prov. Cash Fd. 130.7 137.6 .. —
Gilt Fund 139.3 146.7 +0.9 —
Property Fund 136.5 143.7 .... —
Equity Fund 166.5 175.3 +1.0 —
Fxd. Int. Fund 118.9 125.2 +0.8 —
Managed Pens. Acc. 116.6 122.8 .... —
Deposit Pens. Acc. 103.4 108.9 .... —
Property Pens. Acc. 103.4 108.9 .... —
Fix. Int. Pens. Acc. 105.3 110.9 .. —
Equity Pens. Acc. 124.9 131.5 .... —
For Capital Unit Prices ring 01-247 6533.

Prudential Pensions LimitedΦ
Holborn Bars, EC1N 2NH. 01-405 9222
Equity Fd. Mar. 18 37.40 38.56 ... —
Fixed Int. Mar. 18 24.97 25.30 ... —
Prop. Fd. Mar. 18 43.56 44.91 ... —

Reliance Mutual

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941
Man. Fund Inc. 137.5 144.7 .... —
Man. Fund Cap. 127.5 134.2 .... —
Man. Fund Acc. 174.2 183.4 .... —
Man. Fd. Init. 136.1 143.3 .... —
Prop. Fund Inc. 134.1 141.2xd −4.1 —
Prop. Fd. Cap. 124.5 131.0xd −4.5 —
Prop. Fd. Acc. 189.8 199.8 +0.4 —
Prop. Fd. Init. 132.1 139.1xd −4.8 —
Prop. Fd. Inv. 141.0 — .... —
Fixed Int. Fd. Inc. 125.3 130.8 .... —
Fixed Int. Fd. Cap. 115.2 121.3 .... —
Fixed Int. Fd. Acc. 124.3 130.8 .... —
Fixed Int. Fd. Ini. 123.6 130.1 .... —
Dep. Fd. Inc. 109.3 115.1 .... —
Dep. Fd. Acc. 109.3 115.1 .... —
Dep. Fd. Init. 108.8 114.5 .... —
U.K. Equity Fd. Inc. 146.9 154.6 .... —
U.K. Equity Fd. Cap. 136.2 143.4 .... —
U.K. Equity Fd. Acc. 146.9 154.6 .... —
U.K. Equity Fd. Init. 146.2 153.9 .... —
Int. Equity Fd. Inc. 130.2 137.0 .... —
Int. Equity Fd. Cap. 120.7 127.0 .... —
Int. Equity Fd. Acc. 130.2 137.0 .... —
Int. Equity Fd. Ini. 129.5 136.3 .... —
Ret. Plan Ac. Pen. 140.3 150.8 +0.9 —
Ret. Plan Cap. Pen. 104.8 112.7 +0.8 —
Man. Pen. Fd. Acc. 256.9 270.4 .... —
Man. Pen. Fd. Cap. 214.0 225.3 .... —
Gilt Pen. Fd. Acc. 172.0 181.1 .... —
Gilt Pen Fd. Cap. 147.5 155.3 .... —
Prop. Pen. Fd. Acc. 223.3 235.0 +0.9 —
Prop. Pen. Fd. Cap. 202.5 213.2 +0.2 —
Guar. Pen. Fd. Acc. 134.1 141.2 .... —
Guar. Pen. Fd. Cap. 122.5 128.9 .... —

Transinternational Life Ins. Co. Ltd.
2 Bream's Bldgs., EC4A 1NU. 01-405 6497
♥Series 2 Man. Fd. 128.2 134.9 .... —
♥Series 2 Equity Fd. 135.0 142.1 .... —
♥Series 2 Prop. Fd. 131.9 138.8 .... —
♥Series 2 Fixed Int Fd. 116.5 122.6 .... —
♥Series 2 Money Fd. 110.4 116.2 .... —
♥Series 2 O'seas Fd. 111.5 117.3 .... —
♥Tulip Invest. Fd. 219.9 231.5 .... —
♥Tulip Managed Fd. 160.4 168.8 .... —
♥Mngd. Inv. Fd. Int. 126.1 132.7 .... —
♥Mngd. Inv. Fd. Acc. 140.3 147.6 .... —
Man. Pen. Fd. Cap. 176.5 185.7 .... —
Man. Pen. Fd. Acc. 204.9 215.6 .... —

Trident Life Assurance Co. Ltd.♥
London Road, Gloucester. 0452 36541
Managed 168.0 177.0 +0.7 —
Gtd. Mgd. 173.2 182.4 +0.4 —
Property 219.3 231.0 +1.8 —
American 129.0 135.9 −0.3 —
U.K. Equity Fund 160.2 168.7 +0.7 —
High Yield 159.4 167.9 +0.4 —
Gilt Edged 142.9 150.6 +0.7 —
Money 154.5 162.7 .... —
International 130.5 137.4 +0.4 —
Fiscal 163.9 172.6 .... —
Growth Cap. 164.4 173.2 .... —
Growth Acc. 181.8 191.4 .... —
Pens. Equity Acc. 168.0 177.0 .... —
Pens. Mngd. Acc. 186.8 196.8 .... —
Pens. Gilt Edged Acc. 134.7 141.9 .... —
Pens.Gtd.Dep.Acc. 148.4 156.4 .... —
Pens. Pty. Acc. 190.6 200.7 .... —
Tri Inv. Bond. 48.0 50.6 .... —
MV Fund 98.6 103.9 +1.1 —

Tyndall Assurance/Pensions(a)(b)(c)
18, Canynge Road, Bristol. 0272 32241
3-Way 164.4 164.4 .... —
Do. Pens. 210.5 210.5 .... —
Equity 214.8 .... —
Bond 193.9 .... —
Property 161.9 .... —
Overseas Inv. 113.7 .... —
UK Inv. 187.7 .... —
Deposit 159.3 .... —
Mn. Pen. 3-W 235.6 235.6 .... —
Equity Pen. 365.0 365.0 .... —
Bond Pen. 219.0 219.0 .... —
Prop. Pen. 137.2 137.3 .... —
Dep. Pen. 183.8 183.8 .... —

Vanbrugh Life Assurance♥
41-43 Maddox St., Ldn. W1R 9LA. 01-499 4923
Managed Fd. 197.6 208.0 +0.4 —
Equity Fd. 334.5 352.2 +1.3 —
Intnl. Fd. 127.6 134.4 +0.4 —
Fixed Int. Fd. 191.7 201.8 +0.4 —
Prop. Fd. 206.6 217.5 .... —
Cash Fd. 148.8 156.7 .... —

Vanbrugh Pensions Limited
41-43, Maddox St., Ldn. W1R 9LA 01-499 4923
Managed 146.2 153.9 +0.4 —
Equity 170.4 179.4 +1.4 —
Fixed Interest 132.8 139.8 −0.2 —
Property 140.8 148.3 .... —
Guaranteed 11.62 +0.12 —

Welfare Insurance Co. Ltd.♥
Winslade Park, Exeter. 0392-52155
Moneymaker Fd. 122.1 .... —
For other funds, please refer to The London & Manchester Group.

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144
Investor Units 104.7 110.1 +1.5 —
Accum. Pen. Units 160.4 168.7 +2.8 —
Flex. Inv. Growth 126.6 133.3 .... —
Future Assd Growth 30.0(a) 55.0(b) .... —
Ret. Ass'd Pen. £31.96 .... —

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Albany $ Fd. (CI) US$183.17 165.58 .... 1.60
Next dealing April 24.

Alexander Fund
37, rue Notre-Dame, Luxembourg.
Alexander Fund US$14.31 .... —
Net asset value March 23.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741
AHR Dollar Inc. Fd. US$10.45 10.46 +0.02 14.25
AHR Gilt Edg.Fd. £11.45 11.51 +0.05 12.66

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda
Adv.: ACMI, 319 High Holborn WC1. 404 0377
Distn. Mar. 30. 0.000387 (15.2pc p.a.).

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077
East Intl. & Energy 152.0 157.0 +9.0 2.39
Dealing day Thurs
Gov't Secs. Tst.(CI) 80.0 82.5xd +0.4 15.47
Daily Dealings.
Sterling Fd. 123.2 123.3 .... —
Dealing on Wed.

B.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland
Bearer Sfr. (Mar. 20) 9,500 10,000 ....

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.
Wldinvest Income US$104.89 105.43 .... 9.01
Prices at Mar. 26. Next sub. day Apr. 1.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels
RentaFund US$53.81 55.48 +0.22 8.19

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806
Barb. Int. Fund 106.5 113.9 .... 3.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741
Unigilt Trust 42.3 43.9 .... 13.00
Unidollar Trust US$14.99 15.33 .... 2.60
Unibond Trust US$94.32 95.24 .. 10.80
1, Thomas St., Douglas, Isle o.Man. 0624 4856
Unicorn Aust. Ext. 88.7 95.4 .. 7.00
Do. Aust. Min. 87.5 94.1 +1.2 1.10
Do. Grtr. Pacific 129.3 139.1 .... —
Do. Intl. Income 29.6 31.9xd .. 11.60
Do. Isle of Man Tst. 41.6 44.6 .. 11.20
Do. Manx Mutual 51.9 55.9xd .. 2.00

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911
ARMAC* Mar. 2 $59.47 63.23 .. —
COUNT** March 2 £3.341 3.544xd ... 1.41
CANRHO** March 2 £1.360 1.443 .. —
Original issue *$10 and **£1. Next val. April 6.

Bridge Management Ltd.
GPO Box 590, Hong Kong
N'bashi Mar. 31 ¥26,500 +500 —
Nippon Fd. March 31 23.09 24.13 −0.35 1.12

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534 73114
U.S. Dollar Denominated Funds:
Am. Smaller Cos $ Fd. 1.90 2.04 —
Gold Fund* 0.99 1.04 −0.04 —
Universal Growth Fund 1.263 1.358 ... —
World Bond Fund 0.82 0.85xd .. 1.09
Sterling Denominated Fds.
American Investments 69.0 73.0 .... 9.93
Am. Smaller Cos. Fd. 45.7 48.5 .. —
Australian Perf. Fd. 147.0 155.0 .. —
Far East Fund 158.8 170.7xd .. 1.00
High Interest £ Trust 85.0 83.0xd 13.60
Jersey Energy Tst 26.9 28.9xd 1.50
Jersey Gilt* 20.3 20.8 .... 13.39
U.K. Growth Fund 41.9 45.0 .... 4.00
Sterling Deposit Funds
Managed Currcy. Fd.* £10.34xd −0.72 12.00
Capital Dep. Trust** £12.36 12.37 .... 0.25
Schlesinger
Intl. Fd. (Jersey) 129.0 136.0 ... 2.57
Am. Options U.S.$ 97.0 102.0 ... 7.35
Intl. Fd. (Lux.)* US$16.67 17.55 −0.02 —
*Daily Dealing—Other Funds Weekly Mondays.
**Tuesday Weekly—Capital Return 13%

Brown Shipley Tst. Co. (Jersey) Ltd.
P.O. Box 583, St. Helier, Jersey. 0534 74777
Stlg. Bd. Fd. (h) £9.61 9.65xd +0.03 13.28
Sterling Cap. Fd.J.(a) £12.41 12.42 . —

Butterfield Management Co. Ltd.
P.O. Box 195, Hamilton, Bermuda.
Buttress Equity US$4.96 5.12 ... 1.49
Buttress Income 2.04 2.11 ... 11.70
Prices at March 2. Next sub. day April 6.

CAL Investments (IoM) Ltd.
16, St. Georges St., Douglas, IOM. 0624 25031
CAL Cmdty. & Crncy. — 1.00 .. —
First dealing day Mar. 16. Next Val. Apr. 6.

Capdirex S.A.
P.O. Box 178, 1211 Geneva 12, 010 4122 466288
Fonselex SF174.70 188.85 .... 1.90
Bondselex SF112.90 116.65 .... —

Capital Asset Managers Ltd.
Bermuda Hse, St. Julians Ave, St. Peter Port, Guernsey C.I. 0481 26268
The Currency Trust 105.0 109.0 .... —

Capital International Fund S.A.
43, Boulevard Royal, Luxembourg
Capital Int. Fund US$26.35 .... —

Charterhouse Japhet
1 Paternoster Row, EC4 01-248 3999
Adiropa DM28.76 30.20 +0.06 4.37
Adiverba DM49.92 52.42 −0.10 3.25
Fondak DM27.61 28.99 +0.11 4.35
Fondis DM22.98 24.13 −0.02 3.40
Emperor Fund* $8.40 8.82 .... —
Hispano $42.12 44.25 −0.51 4.30
*Prices at Feb. 28

Chawton Commodities (Isle of Man) Ltd.
29, Athol Street, Douglas, I.o.M. 0624 21724
Normandy Metal Trst. 1.1368 1.1966 .... 4.00
Normandy Com. Tst. 1.0622 1.1181 .... 4.00

Clive Investments (Jersey) Ltd.
P.O. Box 86, St. Peter Port, Guernsey. 0481 26521
C. H. Gilt Growth Fd.* £10.30 10.76 +0.04 3.30
Clive Gilt Fd. (C.I.) 9.32 9.74 .... 13.55
*Daily Dealings.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. 225.0 245.0 .... —

Cortexa International
10a, Boulevard Royal, Luxembourg.
Cortexa Intnl. US$186.55 — +0.27 —

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
40	32	Acmex 50c	40	—	Q2.5c	—	3.3
23	14	ACM 20c	16	—	—	—	—
21	14	Argosy Gold NL 25c	19	−1	—	—	—
172	137	Bond Corp.	172	—	Q7½c	1.9	2.2
102	76	Bougainville I Kina	84	−3	Q26.2c	1.0	26.2
302	214	CRA 50c	248	−2	Q19c	ϕ	3.9
25	17½	Canada Northwest	20	—	—	—	—
35	17	Carr Boyd 20c	22	—	—	—	—
415	220	Central Pacific	225	−5	—	—	—
35	35	Cons. Gold Mn. N.L. 50c	35	—	—	—	—
47	39	Coltus Pacific N.L.	40	+1	—	—	—
32	22	Eagle Corp. 10c	27	—	—	—	—
40	32	Endeavour 20c	34½	—	—	—	—
500	310	G. M. Kalgoorlie 25c	400	−20	†Q13c	ϕ	1.7
25	13	Great Eastern	15	—	—	—	—
275	210	Hampton Areas 10p	225	+5	‡2.5	2.4	1.6
168	90	Haoma Gold N.L.	90	—	—	—	—
85	45	Intl. Mining	55	—	—	—	—
245	140	Kitchener NL 25c	200	—	—	—	—
105	45	Leichardt Expln.	50	—	—	—	—
430	275	Meekatharra	380	−20	—	—	—
		For Metals Energy See Claremont Pet Under Oils					
68	49	Metals Ex. 50c	64	—	¶Q3c	2.9	2.4
33	20	Metramar Mnz. 20cts.	25	—	—	—	—
240	190	M.I.M. Hldgs. 50c	228	−8	‡Q27.6c	1.7	‡
21	11½	Minefields Expl. 25c	14	—	—	—	—
102	83	Mount Lyell 25c	102	—	ϕ†Q15c	1.7	7.6
20	14	Newmetal 20c	15	—	—	—	—
69	41	Nickelore N.L.	54	−1	—	—	—
204	149	North B. Hill 50c	165	−2	Q18c	3.1	5.7
84	50	Nth. Kalgurli	65	−2	—	—	—
150	94	Nth. Mining Corp.	150	+5	—	—	—
122	55	N. West Mining N.L.	64	+2	—	—	—
135	106	Oakbridge 50c	132	−3	‡Q12c	1.1	4.7
185	138	Otter N. L.	155	—	—	—	—
186	164	Pacific Copper	170	—	—	—	—
605	475	Pancont'l 25c	570	−10	—	—	—
70	42	Paringa M&Ex.5p	70	—	—	—	—
520	375	Peko-Wallsend 50c	475	−5	ϕQ22½c	ϕ	2.4
115	85	Seltrust A	90	—	—	—	—
157	7¼	Southern Pacific	90	−2	—	—	—
72	44	Swan Resources 20c	47	+1	—	—	—
139	11½	West Coast 25c	13½	−1	—	—	—
293	227	Westn. Mining 50c	275	−2	Q14c	1.6	2.6
27	19	Westmex	21	—	—	—	—
76	50	Whim Creek 20c	60	—	—	—	—
101	73	York Resources	89	—	—	—	—

Tins

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
16	10	Amal Nigeria 1p	10	−1	‡6.0	—	—
300	260	Ayer Hitam $M1	270	—	‡Q205c	1.0	‡
67	54	Beralt Tin	57	—	4.5	3.2	11.3
155	130	Geevor	130	—	‡8.4	1.9	‡
9½	8	Gold & Base 12½p	9½	—	—	—	—
660	590	Gopeng Cons.	590	—	30.0	1.8	7.3
450	390	Hongkong	390	—	21.0	ϕ	7.7
125	115	Idris 10p	118	—	26.0	ϕ	7.3
15	13	Jantar 12½p	15	—	1.5	ϕ	14.3
98	93	Kamunting $M0.50	93	—	‡Q80c	1.0	‡
725	545	Killinghall $M1	725	—	Q100c	ϕ	2.7
114	88	Malay Dredging 10c	114#	—	ϕ‡Q38c	0.9	6.4
55	30	Pahang	54	—	0.44	8.3	1.2
103	95	Pengkalen 10p	95	—	3.5	0.6	5.3
380	360	Petaling $M1	380	—	Q180c	ϕ	9.2
24	19	South Crofty 10p	22	—	‡1.0	ϕ	‡
225	200	Sungei Besi $M1	205	—	‡Q480c	1.1	‡
135	95	Supreme Corp. $M1	130	—	ϕQ15½c	ϕ	2.3
118	116½	Tanjong 15p	117	—	21.5	ϕ	1.9
90	80	Tongkah H. Tin $Sm	80	—	Q23%	0.4	5.7
410	350	Tronoh $M1	370	—	‡Q250c	0.7	‡

Copper

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
265	165	Messina R0.50	265	—	Q45c	4.7	9.7

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
160	142	Anglo-Dominion	157	+2	—	—	—
55	40	Barymin	40	—	—	—	—
15½	14	Burma Mines 10p	14½xd	−½	0.75	ϕ	7.4
315	180	Colby Res. Corp.	215	−10	—	—	—
255	200	Cons. Murch. 10c.	250	−5	‡Q30c	1.8	6.9
90	75	††Hemerdon 10c.	80	—	—	—	—
180	135	Highwood Res.	145	−10	—	—	—
400	300	Northgate C$1	370	—	—	—	—
478	372	R.T.Z.	465	−5	‡16.0	3.2	4.9
£111	£93½	Do. 9¾%Cal.ln.'95-2000	£110	−1	Q9½%	—	‡9.0
143	127	††SPO Minerals 10p	136	−1	—	—	—
47	33	Sabina Inds. C$1	36	—	—	—	—
38	28	††SWCM 10p	35	—	—	—	—
550	465	Tara Expln. $1	500	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ✱ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✱ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ⁼ Regional price.
- || No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ✱✱ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	41	—
Bertam	13	—
Bdg'wtr. Est. 50p	540xd	—
Craig & Rose £1	£11¼	—
Fife Forge	55xd	—
Finlay Pkg. 5p	20	—
Graig Ship. £1	£19½	−½
Higsons Brew	68	—
Holt (Jos) 25p	415	—
I.O.M. Stm. £1	160	—
Pearce (C. H.)	890	+30
Peel Hldgs.	92	—
Sheff. Refrshmt	102	+2
Sindall (Wm.)	136	—

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£94	—
Nat. 9¾% 84/89	£76¼	—
Fin. 13% 97/02	£80⅝	—
Alliance Gas	75	+8
Arnott	240	+5
Carroll (P.J.)	86	−1
Concrete Prods.	90	—
Helton (Hldgs.)	30	—
Ins. Corp.	395	—
Irish Ropes	50	—
Jacob	50	−2
T.M.G.	22	—
Unidare	82	—

OPTIONS

3-month Call Rates

Industrials

Stock	Rate
A. Brew	7
BOC Intl.	9
B.S.R.	4½
Babcock	11
Barclays Bank	40
Beecham	15
Blue Circle	32
Boots	20
Bowaters	20
B.A.T.	25
Brown (J.)	6½
Burton	16
Cadburys	6
Courtaulds	6
Debenhams	8
Distillers	17
Dunlop	7½
Eagle Star	22
F.N.F.C.	3½
Gen. Accident	30
Gen. Electric	50
Glaxo	22
Grand Met.	14
G.U.S. 'A'	45
Guardian	32
G.K.N.	16
Hawker Sidd	20
House of Fraser	15
I.C.I.	28
"Imps"	7
I.C.L.	9
Inveresk	3
Ladbroke	26
Legal & Gen.	20
Lex Service	9
Lloyds Bank	28
"Lots"	4
London Brick	6
Lucas Inds.	20
"Mams"	20
Mrks. & Spncr	9
Midland Bank	32
N.E.I.	7
Nat. West. Bank	32
P & O Dfd.	32
Plessey	25
Racal Elect.	32
R.H.M.	4
Rank Org.	16
Reed Intnl.	18
Sears	4½
Tesco	5½
Thorn	26
Trust Houses	18
Tube Invest.	18
Unilever	58
U.D.T.	4½
Utd. Drapery	6½
Vickers	14
Woolworths	5

Property

Stock	Rate
Brit. Land	8
Cap. Counties	11
Land Secs.	35
MEPC	20
Peachey	8
Samuel Props.	15
Town & City	2¾

Oils

Stock	Rate
Brit. Petroleum	36
Burmah Oil	19
Charterhall	11
KCA	22
Premier	10
Shell	40
Tricentrol	34
Ultramar	48

Mines

Stock	Rate
Charter Cons.	20
Cons. Gold	45
Lonrho	10
Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Wednesday April 1 1981

Average living standards rise

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

AVERAGE living standards rose to a record level in the UK last year, in marked contrast to the sharp fall in output.

Central Statistical Office figures published yesterday highlight the contrasts in the economy between the well-being of many wage-earners and the problems of producers.

Personal disposable incomes, the best yardstick of average living standards, rose slightly towards the end of last year, to mark a 2.1 per cent real increase in 1980 compared with 1979.

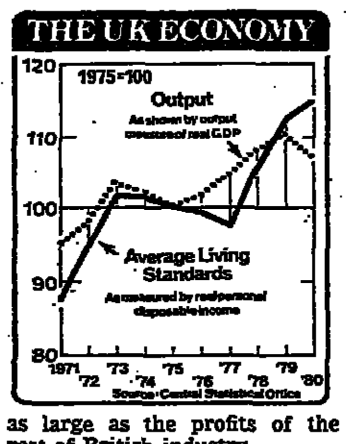
But incomes may be squeezed by the rise in taxes and by the lower level of pay rises in the *current wage round.*

The buoyancy of living standards has reflected till now the combination of a rapid growth in pay (at least until the autumn) and a deceleration in the inflation rate, partly caused by the strength of sterling.

These same factors have hit industry and last year led to a 3 per cent decline in the output measures of real Gross Domestic Product (and to a 10 per cent drop in manufacturing production).

Between 1977 and 1980, average living standards rose by more than 17¾ per cent in real terms, while total output increased by only 2½ per cent (and manufacturing production fell by more than 8¼ per cent).

Some of these contrasts are explained by the impact of *North Sea oil and gas operations.* Their profits rose by nearly a half last year, to £7.05bn, and are now nearly half as large as the profits of the rest of British industry.



After the exclusion of North Sea operations and profits arising from the rise in value of stocks, the profits of British industry dropped by 4½ per cent last year.

Industry as a whole offset the decline in its income by cutting the level of its stocks on a large scale. Consequently its financial deficit (which needs to be raised from the rest of the economy, mainly from banks) dropped from £4.4bn to £2.8bn between 1979 and 1980, and was virtually eliminated by the end of the year.

The personal sector improved its financial position, partly because households increased *that proportion of their disposable* income which was saved. This increase was from an average 14.1 per cent to 15.3 per cent. However, there was a slight fall from the late summer peak, 17.1 per cent, to 16.4 per cent by the end of 1980.

Details Page 9

Flat output level foreseen by Bank

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE LEVEL of output in Britain is likely to be flat "for a *while," the Bank of England* warned last night.

The Bank bulletin, published yesterday evening, explains the contracst between the caution of *Mr. Gordon Richardson, the* Bank Governor, in his evidence to the Commons Treasury Committee on Monday, and the optimistic tone of recent ministerial *speeches.*

Bank economists believe that there will not be a V-shaped profiile with a strong recovery following the deep recession, and an L or U shaped pattern more likely, depending on how long output remains flattish.

In detail, the Bank economists have forecast a 2½ per cent drop *in total output, as measured by* real Gross Domestic Product, in 1981 compared with last year. The Treasury has projected a 2 per cent decline, and the Bank *is more pessimistic than the* Treasury about the outlook for exports and investment.

It was being pointed out yesterday that these differences are well within the margin of error of all forecasts and that the Treasury projections also suggest no strong upturn.

There is no attempt, however, to disguise a clear difference of emphasis in the respective economic assessments. The Treasury believes that the *balance of evidence points to* the bottom of the recession occuring about now, while the Bank is less confident that the economy has levelled out or that *there will be any early pick-up.*

The bulletin notes that the character of the recession is likely to change. While the reduction in stock levels should *be less rapid,* demand elsewhere is likely to weaken.

The Bank stresses in particular the big deterioration in the competitive position of British goods in the last few years. The decline has been well over 40 per cent since 1975.

After its gloomy assessment, *the Bank says prospects for* expansion largely depend on an improvement in this competitive position and on a lower rate of domestic inflation.

The Bank argues that inflation is likely to be reduced without the assistance of a rising exchange rate. However, the alternative *of a falling exchange* rate *would* not remove the problem.

The need then would be to try to prevent any gains in competitiveness being eroded by a faster rise in costs.

Details, Page 9

EEC farm price plan revised

By John Wyles in Brussels

THE CHANCES of an EEC farm price agreement by today, in line with the deadline imposed at last week's European summit, now hinge on whether Britain will accept a revised European Commission package unveiled in Brussels yesterday.

The package, boosting the proposed price rises from 7.8 per cent to an average 9.45 per cent, gained a murmured broad approval from most other member states at the farm price talks.

Agreement

The challenge from Mr. Peter Walker, the UK Agricultural Minister, was not aimed at the level of price rises proposed — although he thought the cost of the package may be too high. Instead, he warned that the UK would block agreement unless elements which he thought penalised British farmers were removed.

Thus everything hinges on whether Mr. Walker can signal UK acceptance of the highest farm price rises in EEC history in return for some concessions to British farmers.

This plunges the UK into a tactical dilemma. On the one hand it could probably gain most of what it wants in return for accepting price rises which would equally benefit its farmers. On the other, this could mean sacrificing the UK's traditional and self-interested stand in favour of modest farm price rises and measures to curb surplus production.

Measures

But *the opportunity* to fight for a balanced package was largely snatched away yesterday by the Commission, which not only raised its price proposals but *also dropped most* of its original measures designed to deter surplus production.

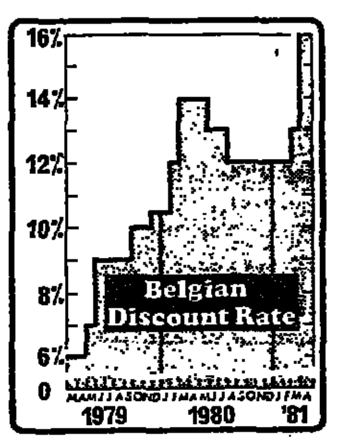
Commissioners said in their defence that the last hope of fighting for their original proposals was removed last week when the European Parliament voted for 12 per cent price increases.

This has now become the target for Belgium, France and Ireland among others and, in spite of its new proposals the Commission is bound to come *under pressure* during the next 24 hours to move still higher.

Details, Page 2

Belgians to seek new coalition

BY LARRY KLINGER IN BRUSSELS



THE LEADERS of Belgium's political parties will meet King Baudouin this morning in an attempt to form a new Government.

The King, faced with a political crisis tightly linked with speculation that the country may be forced to devalue its *currency for the first time since* the 1940s, yesterday rejected a resignation offer from Mr. Wilfried Martens, the Prime Minister.

He responded instead by summoning political, trade union and industrial leaders for urgent talks last night which ended with the decision to try to form a new Administration.

The onslaught of speculative pressure on the Belgian franc combined with last weekend's economic austerity package has provoked a serious rift in the two-party coalition led by Mr. Martens' Christian Democrats.

Their Socialist partners in the Cabinet are refusing to accept tough new measures proposed by Mr. Martens which invalue a virtually complete wage freeze until the end of the year by holding back payments due under the country's system of inflation rate indexed pay rises. Inflation is currently running at about 7 per cent a year.

Belgium sought yesterday to dampen speculative selling of the franc in the foreign exchange markets by raising interest rates dramatically.

The National Bank raised its discount rate a further 3 points to 16 per cent, only a week after a one point move to 13 per cent.

Short-term interest rates also went up yesterday from 15 per cent to 18 per cent. The moves, however, produced no clear signs of any easing of speculative pressures.

The franc has come under mounting pressure since the devaluation of the Italian lira 11 days ago. Of the BFr 90bn (about £1.16bn) committed to support buying this year, one third is understood to have been spent during the past week.

The franc yesterday rose slightly within the European Monetary System following the interest rates increase. However, it remained close to its lowest permitted EMS levels against both the D-Mark and Fruech franc.

The discount rate now stands 10 percentage points above the level of March, 1979, when the EMS started. The franc has been *under devaluation for* almost the whloe of this period.

Mr. Martens appears to have four possible courses of action. First, he could still try for an accommodation with the Socialists — who, while having some harsh words for Mr. Martens, stopped short yesterday of pulling out of the Government.

Second, he could start immediate talks with the third Belgian political "family"—the Right-wing Liberals — with the aim either to form a new coalition or to win their parliamentary support for a minority Christian Democrat government.

A Christian Democrat-Liberal coalition would have a parliamentary majority, but one considerably less certain than the present Government's.

Third, Mr. Martens could call for a government of national unity of all the main parties; or, fourth, he could hold quick elections, although such a move would be unpopular

Meanwhile, the Belgian commercial banks yesterday resumed normal foreign exchange transactions.

BNOC plans to prospect in U.S.

BY RAY DAFTER, ENERGY EDITOR

THE British National Oil Corporation plans to explore for oil in the U.S. as part of a move to build up overseas reserves.

The State-owned BNOC is looking at possible joint venture schemes involving independent companies which may lead to a transatlantic oil-swapping arrangement.

Oil produced by BNOC in the U.S. might be exchanged for crude owned by an American partner with interests in the North Sea.

In this way each company would save cost of shipping its crude across the Atlantic.

But such a venture could well be politically sensitive. In the past the U.S. Government has made clear that it would not welcome State exploration companies which could be used as instruments of foreign policy.

Though BNOC had already been approached by one major U.S. independent company seeking a joint exploration venture, it may be two or three years before it is in a position to begin drilling in the U.S.

By that time the financial structure of BNOC may be clarified. The Government has just dropped its Bill for introducing private capital into the corporation, though it has said it will reintroduce legislation in the next Parliamentary session.

BNOC plans to build up overseas interests with two main objectives. It is anxious to accumulate reserves that can be exploited when Britain's North Sea production begins to decline in the late 1980s or *1990s.*

It also sees the opportunity, in some countries, to insist on use of British oil equipment and services.

As a result, the Foreign Office is believed generally to be encouraging BNOC's overseas interests.

The corporation has identified *three main regions to concentrate* its overseas exploration: North America, the Far East and the North European Continental Shelf.

Under an expansionist policy, advocated by Mr. Philip Shelbourne, the chairman, BNOC has already acquired a stake with Atlantic Richfield Corporation in a 760,000-acre exploration area in Dubai.

It is also hoping to acquire drilling concessions in the French sector of the English Channel and the Goban Spur *area of the Atlantic off* the south-west tip of Ireland.

Editorial comment, Page 14

Poland

Continued from Page 1

officials and punish the police *officers responsible* for the beating of three Solidarity members in the provincial town of Bydgoszcz two weeks ago.

Two deputy provincial *governors in the Bydgoszcz area* tendered their resignation yesterday. The resignations were accepted by the local authorities.

However, a Soviet television commentator in Moscow indicated Soviet unhappiness with this part of the agreement and defended the actions of the Polish police.

The commentator said the decision to evict unionists from the local council building in Bydgoszcz had been taken "in accordance with the law." He suggested Solidarity's demands for the punishment of the officials concerned were unjustified.

Soviet television told viewers the strike threat had been temporarily lifted but said the atmosphere in Poland remained tense.

Ansafone

Continued from Page 1

ACC has been studying ways *to reduce its borrowings* and improve its financial performance, which has suffered a sharp setback since last year.

The deal values Ansafone's equity at £5.5m. It has been transferred to a new company, called Givenoon, in which Ansafone executives will together have a 10 per cent interest. Givenoon is to be renamed Ansafone at a later date.

The remaining £8m of the purchase price is being borrowed from the National Westminster Bank. It will be *used to repay loans to Ansafone* from ACC.

Equity Capital for Industry, which invests institutional money in UK companies needing support, is taking part in the deal.

ECI, which has not been involved in a management buy-out before, is putting up £900,000 as one of the dozen institutions organised by Montagu Loebl Stanley and Candover Investments to help finance the deal.

North Sea pipeline plan shelved

By Sue Cameron and Ray Dafter

THE ORGANISERS of the Government's projected £2bn gas gathering system in the North Sea have shleved plans for a 50 mile-long Southerly section.

The decision is expected to be announced on Friday when the Government-established organisin gocmmittee—which includes British Gas, Mobil and British Petroleum—meets companies interested in participation in the pipeline scheme.

The organising committee's move is the first tangible reflection of the problems associated with the Government's plans for a pipeline network to collect gas from more than a dozen North Sea fields.

The project has already run into organisational and financing difficulties. The Government originally planned to announce the setting up of an interim pipeline company today but it is now expected to overshoot this deadline by up to eight weeks.

It is thought that the shelving of the 50 mile Southern section may make it easier to secure a financial package. The initial interim finance is expected to be provided by a consortium of banks led by the Bank of Scotland. One problem with funding the pipeline scheme has been the Government's insistence that the scheme should be financed outside the public sector borrowing requirements without Treasury guarantees.

It is understood that talks are being held between the banks and the Treasury with a view to the Government offering some type of assurance on the finance.

The 50 mile length of pipeline which has now been shelved was to have run from the Lomond field down to the Fulmar and Josephine fields, south east of Aberdeen.

Shell, the operator of Fulmar—which is under development—said yesterday that it was studying various alternative ways of bringing Fulmar gas ashore. It had "not known for very long" about the organising committee's decision to drop part of the southern pipeline leg.

One alternative scheme thought to be under consideration is the building of another pipeline from the Fulmar field direct to St. Fergus on the Scottish coast.

British aGs is expected to tell interested companies on Friday that no detailed work will be done on the 50-mile section because of uncertainties about potential gas reserves in the area.

Weather

UK TODAY

Cloudy, rain, sunny periods.

London, S. England, E. Midlands, Channel, Argyll, N.W. Scotland, N. Ireland

Cloudy, rain, sunny intervals. Fog patches. Max. temp. 11C (52F).

S.W. and N.W. England, W. Midlands, Wales, Isle of Man, S.W. and N.E. Scotland, Central Highlands, Moray Firth

Dry, fog patches, sunny periods. Max. temp. 14C (57F).

Rest of England and Scotland, Orkney, Shetland

Dull, misty, rain. Max. temp. 6C (43F).

Outlook: In the East, cold, Cloudy, rain: elsewhere, overnight fog followed by sunny periods, dry and warm.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	14	57	London	C	8	46
Algiers	C	15	59	L. Ang.†	F	12	54
Amsdm	C	11	52	Luxmbg	C	13	55
Athens	S	17	63	Luxor	S	29	84
Barclna	F	17	63	Madrid	F	15	59
Beirut	S	18	64	Majorca	C	15	59
Belfast	S	14	57	Malaga	S	20	68
Belgrad	S	18	64	Malta	C	16	61
Berlin	C	16	61	M'chstr	F	8	46
Biarritz	R	11	52	Melbrne	C	25	77
Bmghm	C	5	41	Mx. C†	—	—	—
Blackpl	C	8	46	Miami†	F	23	73
Bordx.	F	16	61	Milan	C	14	57
Boulgn.	C	8	46	Montrl†	C	5	41
Bristol	C	7	45	Moscow	F	5	41
Brussels	C	9	48	Munich	C	17	63
Budapst	F	17	63	Nairobi	T	20	68
Cairo	F	24	75	Naples	C	26	79
Cardiff	R	7	45	Nwcstl.	C	5	41
Casb'ca	F	17	63	N York†	F	14	57
Cape T.	S	22	72	Nice	R	16	61
Chicg.†	F	8	46	Nicosia	F	19	66
Cologne	C	13	55	Oporto	C	11	52
Cpnhgn	S	10	50	Oslo	S	8	46
Corfu	S	22	72	Paris	C	10	50
Denver†	F	3	37	Perth	C	23	73
Dublin	S	13	55	Prague	C	14	57
Dbrvnk	S	21	70	Reykjvk	R	5	41
Ednbg.	Fg	5	41	Rhodes	S	19	66
Faro	F	18	64	Rio J'o†	—	—	—
Florence	C	19	66	Rome	C	24	75
Frankft.	C	16	61	Salzbrg	C	21	70
Funchal	S	18	64	S'ciscot	F	8	46
Geneva	C	11	52	Singapr.	R	28	82
Gibrltr.	F	17	63	S'tiago†	—	—	—
Gl'sg'w	C	7	45	Stckhm	S	10	50
G'rnsey	C	8	46	Strsbg	C	13	55
Helsinki	C	5	41	Sydney	C	23	73
H. Kong	C	25	77	Tangier	F	19	66
Innsbrk	C	19	66	Tenerife	S	14	57
Invrnss	S	9	48	Tokyo	R	5	41
I.o.Man	C	6	43	T'r'nto†	C	6	43
Istanbul	S	10	50	Tunis	C	17	63
Jersey	C	9	48	Valencia	F	21	70
Jo'burg	F	21	70	Venice	C	18	64
L. Plms.	F	18	64	Vienna	F	17	63
Lisbon	F	15	59	Zurich	C	12	54
Locarno	R	8	46				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. T—Thunder.
†Noon GMT temperatures.

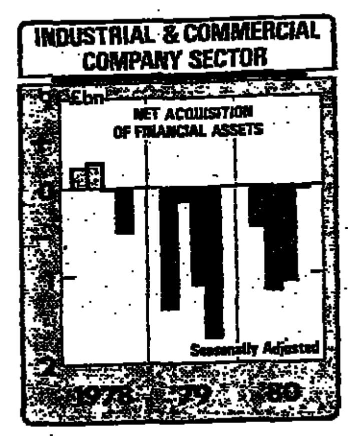
THE LEX COLUMN

Duport back from the brink

Index rose 9.3 to 528.1

Monday's hangover from the over-large helpings of index-linked stock consumed by the pension funds did not last long, and yesterday the stock market was moving ahead strongly, undisturbed by the attempt on President *Reagan's life.* Equities, as measured by the FT 30-Share Index, rose 9.3 points to 528.1, within striking distance of their 1979 high point.

Even the banks are joining in, if onl yby taking preference stock in troubled customers like Duport. They are more natural buyers of gilt-edged, however, like the *new short tap,* Treasury 11½ per cent 1985. But the Bank of England's ban on any substantial rise in banks' gilt-edged holdings seems still to be in force, and anyway the new stock, up for tender this morning, is marginally dear.



Duport

Duport lives—just. The disposal and closure of its steel interests has reduced net assets by £36.1m, and there is a further £10.3m of closure costs. The blow is softened slightly by a property revaluation and a few other items, but at the end of it all ordinary shareholders' funds are down to £11.4m, compared with an estimated £50.5m before the closure and £65.9m justo ver a year ago.

On the liabilities side, the group has been saved by the *sale of some of its steel interests* to British Steel for a net £22.5m, and by the agreement of its bankers to subscribe £4.5m of equity-type finance—convertible *subordinated* loan and convertible preference. This could ultimately give the banks nearly 30 per cent of the enlarged equity. Meanwhile net bank borrowings are down to £9m.

Although interest on the new convertible is to be deferred, the rump of the group still expects to make a loss after interest in the year to next January. Thereafter the outlook seems to depend on its ability to sell surplus properties, valued at £7.4m, and its redundant steel assets. At present, the estimated recovery from these assets is put at just £2.8m, although of course the ultimate figure is an unknown *quantity.*

Meanwhile there is little prospect of a dividend on the existing preferred for tow years, and the ordinary will probably *have to wait at least until* 1983-84. The shares were suspended at 12p, where the capitalisation is £5m, and they do not look obviously cheap.

As for the BSC's role, it is paying close to asset value, which may look generous. But it is getting a sizeable new outlet for its billets, and a condition of the deal is that the Llanelli plant will not be sold for use in the UK. So it is not exactly a fairy godmother.

Sector flows

Is this some kind of April Fool's Day jape by the Central Statistical Office? Was the industrial and commercial company sector really only in tiny financial deficit of £54m, seasonally adjusted, in the final quarter of 1980?. Apparently the CSO is entirely serious, and so the company sector deficit for the whole of 1980 emerges at £2.8bn, well down on the £4.4bn of 1979 although at one stage a big jump was widely expected.

The swing round from stock-building in 1979 to massive destocking in 1980 provides the explanation: this, together with the £1.6bn drop in stock appreciation could have been worth £6½bn to cash flow, more than offsetting the collapse in profits. But stock movements could be less beneficial in 1981, raising the possibility that the sector deficit could increase again.

Bank variations

In Europe they do it one way, in the U.S. another. The variations in the operations of the capital markets are highlighted *by the manner in which two* major European banks are currently raising new capital. Minimal information accompanies Deutsche Bank's one-for-*ten rights issue, raising DM* 472m. But Barclays claims to have taken two years to put together all the disclosures required to get SEC permission *to go ahead with its $125m* guaranteed note issue now scheduled to be publicly offered in the U.S. in about a month's time.

All the major *German* commercial banks except Commerzbank have now been able to raise what looks like cheap money to help them through a thoroughly *difficult* period. Deutsche, of course, appears to have done better than most and indeed has raised its operating profit by 28 per cent. But even *Deutsche* has been obliged to transfer DM 120m from hidden reserves in anticipation of tougher German capital ratio requirements. And its true strength remains a matter for conjecture.

Ironically, the fat document produced by Barclays in the U.S. cannot be made available to interested parties in the U.K. The Bank has been advised that this could be construed as issuing a UK prospectus and might eventually lead to a criminal offence. But it is releasing market sensitive tit-bits, including a geographical breakdown of profits and the disclosure of interest margins confirming that the domestic level of 7.7 per cent for 1980 is much fatter tha nthe 2.9 per cent achieved by the International division.

Booker McConnell

A £7.2m decline into loss on the engineering side has left Booker McConnell's profits, *before tax and property items,* down from £23.3m to £14.8m. Some of the problems, particularly those at the Plenty Group, where Booker admits to a *failure of management* controls, should be sorted out this year, but there may be an offsetting fall in the earnings of the important mining equipment business.

Booker is principally looking to its food distribution interests, enlarged by major acquisitions (which just covered their *financing* costs in 1980) for recovery in the present year. Lower interest rates will help and overheads will be shared with Booker's existing businesses. The *new* distribution companies have very high creditors in the year-end balance sheet, so that net borrowings emerge little *changed at £28m.* The average level of debt is more like £50m, roughly half shareholders' funds.

The distribution businesses, *thanks to their happy cash flow* characteristics, also stand up very well to CCA adjustments and on a very low tax charge group CCA earnings cover the *unchanged dividend* 1¼ times. At 61p the shares yield 7½ per cent.

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